



Daily Report

East Asia

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Japan

Saito: U.S. Ties Still 'Axis' of Foreign Policy

OW0208114093 Tokyo KYODO in English 1127 GMT
2 Aug 93

[Text] Tokyo, Aug. 2 KYODO—Japan's foreign policy will essentially remain intact despite the assumption of power later this month by a coalition of former opposition parties after decades of the rule by the Liberal Democratic Party (LDP), Japan's new vice foreign minister said Monday. "I have absolutely no anxiety about any change in the basic direction of Japan's foreign policy," Kunihiro Saito said in his first meeting with reporters since succeeding Hisashi Owada to the post on Sunday.

Saito said his assuredness of policy continuity extends to the issue of Japanese participation in United Nations peacekeeping operations, which has been one of the country's most contentious foreign policy issues in recent years. The vice minister said he believes the new leadership will be able to reach "timely" and "correct" foreign policy decisions with advice offered by the Foreign Ministry.

He said that the bureaucracy will rally behind government decisions, even if they differ with the original ideas promoted by the Foreign Ministry during the process of policy formulation.

Saito said relations with the United States undoubtedly remain the "axis" of Japan's foreign relations. He said Japan and the U.S. must endeavor to maintain close ties despite the emergence of various problems. He said it should become clear in the autumn as to when the two countries will begin negotiations on trade matters under a new framework for economic partnership agreed to during U.S. President Bill Clinton's visit to Japan last month.

Saito said preparations will begin later this month for a possible visit by Russian President Boris Yeltsin to Japan in October. He said Japan will continue supporting Western assistance for Russia's reforms, while at the same time calling for a full normalization of Russo-Japanese relations through resolving a protracted territorial dispute and concluding a peace treaty.

The vice foreign minister said Japan will continue strengthening ties with Asian countries, including an enhanced dialogue on security issues.

He called on North Korea to fully revoke its now-suspended decision earlier this year to withdraw from the Nuclear Non-Proliferation Treaty (NPT). He said it must also completely accept inspections of its suspected nuclear weapons development facilities and implement a nonnuclear accord with South Korea. But he clarified that Japan is not putting forward those demands as preconditions for a resumption of talks with Pyongyang

on a normalization of bilateral relations. He said there are now no concrete plans for new talks.

Saito said the incoming government and ruling and opposition parties in the Diet will have to work out Japan's position on whether to support an indefinite extension of the NPT, which expires in 1995. "A certain suspicion has arisen in some countries as a result of the fact that Japan has so far not formally stated its support of indefinite extension," he lamented. The top bureaucrat said he wants to see Japan reach a decision on the matter as soon as possible in order to tackle that suspicion.

Saito insisted there is "no possibility" of any change in Japan's policy of not possessing, developing, or introducing nuclear weapons into its territory. He said he considers it impossible for Japan to have a nuclear option.

Saito called for an early conclusion to the Uruguay Round of multilateral trade negotiations, saying Japan would be among the biggest losers if the round were to collapse. But he declined to comment on what concessions Japan might be forced to make to help the round conclude successfully. The coalition parties have agreed to oppose liberalization of rice imports.

The vice minister said a major task of the new government will be tackling the issue of how Japan can best contribute to the UN. He noted, however, that the coalition parties have endorsed cooperation in UN-led peacekeeping missions. He said the bureaucracy will have to consult with the new government on how to deal with the issue of Japan's possibly assuming a permanent seat on the UN Security Council, noting that deliberations on reform have already started in the UN.

U.S. Agrees on Defense Against DPRK Missiles

OW0208063993 Tokyo KYODO in English 0614 GMT
2 Aug 93

[Text] Tokyo, Aug. 2 KYODO—Japanese and U.S. defense officials agreed Monday the two countries should explore ways to counter North Korea's development of medium-range missiles, Defense Agency officials said. Vice Defense Minister Shigeru Hatakeyama reached the agreement in a meeting with Frank Wisner, U.S. undersecretary of defense for policy, the officials said. The two agreed North Korea's program of developing the Nodong-1 missiles with an estimated range of 1,000 kilometers poses a serious threat to the Northeast Asian region, and Japan and the United States should work together on how to counter the threat.

The talks were the first of their kind between Tokyo and Washington since the agency confirmed North Korea test-launched a missile into the Sea of Japan in late May. Hatakeyama and Wisner exchanged in-depth views on possible cooperation in dealing with the North Korean

threat and agreed the two countries will continue their talks while keeping in contact with South Korea, Japanese and U.S. sources said.

In an earlier meeting with Wisner, Defense Agency Director General Toshio Nakayama stressed the need to maintain a basic framework of Japan-U.S. relations even if a new Japanese Government is formed without the long-ruling Liberal Democratic Party (LDP), the officials said. They said Wisner replied that the U.S. intends to maintain healthy, unchanged ties with Japan if a seven-party coalition takes power.

Wisner came to Japan on Sunday for a three-day visit to discuss regional and bilateral security issues after attending a conference with the Association of Southeast Asian Nations in Singapore.

MITI Official Rebuts U.S. Supercomputer Charge

OW0208080393 Tokyo KYODO in English 0743 GMT 2 Aug 93

[Text] Tokyo, Aug. 2 KYODO—Japan's vice trade minister on Monday countered a U.S. charge that Tokyo's supercomputer procurement plans for the current fiscal year are unfair and against a bilateral pact. Hideaki Kumano, vice minister at the Ministry of International Trade and Industry (MITI), told a press conference that the government has procured four machines in accordance with the 1990 supercomputer accord. "We opened bidding to foreigners as required and received no complaints from bidders," he said.

U.S. Trade Representative Mickey Kantor blasted the Japanese Government late last week for awarding the contracts to Japanese companies, saying the move may have violated the bilateral agreement.

Improved Access to U.S. Insurance Market Urged

OW3107073593 Tokyo KYODO in English 0652 GMT 31 Jul 93

[Text] Tokyo, July 31 KYODO—Japan will press the United States to improve foreign access to its insurance market during bilateral framework talks in autumn, government sources said Saturday. Japan will request Washington remove barriers that have effectively blocked foreign insurers' operation in the U.S., notably complex licensing procedures derived from different regulations from one state to another, the sources said. During the bilateral talks on financial services trade, Japan will specifically call for integrating each state law into federal law, the sources said.

The U.S. has a policy of issuing licenses only to foreign insurers which have past U.S. sales records, a practice virtually making their entry in the country impossible, an official at a major life insurance company said. At present, Japanese firms hold less than 1 percent of the U.S. insurance market, an official at a major nonlife insurance company said. On the other hand, Japan's insurance market is rather open, a ranking Ministry of

Finance official said, noting 13 life and 33 nonlife insurers from foreign countries have opened branch offices in the country.

The only way for Japanese insurance companies to do business in the U.S., particularly life insurers, is through acquisition of licensed U.S. insurers which are faltering, the sources said.

Ministry To Limit GATT Tariffication Exemptions

OW0208080293 Tokyo KYODO in English 0741 GMT 2 Aug 93

[Text] Tokyo, Aug. 2 KYODO—The Farm Ministry plans to reduce the number of farm produce items for which Japan will seek exemption from the proposed tariffication under the General Agreement on Tariffs and Trade (GATT), government sources said Monday. Only rice and a limited number of other items will be kept on the list of items for which exemption will be sought from the conversion of nontariff barriers into tariffs at the Uruguay Round of multilateral trade talks, the sources said. Japan so far has been seeking exemption for a dozen items—including rice, wheat, barley, skim milk, butter, starch, and peanuts—from the GATT-proposed tariffication scheme that would force Japan to end its virtual ban on rice imports. They said the Agriculture, Forestry, and Fisheries Ministry hopes that a scaled-down list will facilitate the tough Uruguay Round negotiations.

The United States and the European Community (EC), however, have been adamant in demanding that the tariffication proposal apply without exemption.

Uncertainty also lingers over whether members of an incoming Japanese coalition government, excluding the Liberal Democratic Party, will be able to agree on reducing the list, analysts said.

International trade negotiators seek to reach a final agreement on new free trade rules under the GATT by the end of the year. The Uruguay Round talks have repeatedly been stalled largely over differences on how to liberalize trade in agriculture.

Ministry Hails European Pact on Relaxed ERM

OW0208031093 Tokyo KYODO in English 0303 GMT 2 Aug 93

[Text] Tokyo, Aug. 2 KYODO—The Ministry of Finance welcomed Monday a European Community (EC) agreement earlier in the day to save the battered exchange rate mechanism by making it less stringent. A ministry official said the agreement is "designed to stave off speculative moves and restore the stability of their currencies."

EC finance ministers and central bankers agreed to temporarily broaden the fluctuation band within the European currency grid to 15 percent from 2.5 percent or

6 percent, depending on the currency. The ranges of the relatively strong German mark and the Dutch guilder will remain at 2.5 percent. The Japanese ministry official called the band "appropriate."

The emergency step was taken to halt the renewed European currency crisis, in which Germany's high interest rates encouraged currency speculators to attack weaker currencies and forced other nations to tighten credit at the expense of their depressed economies.

MITI Official Concerned at Yen's Rise

OW0208072793 Tokyo KYODO in English 0648 GMT
2 Aug 93

[Text] Tokyo, Aug. 2 KYODO—Japan's vice trade minister on Monday voiced worries over the yen's latest upsurge, triggered by the continued tension in the European currency grid. Hideaki Kumano, vice minister of the Ministry of International Trade and Industry (MITI), told a press conference that the yen's spurt to yet another post-World War II high Monday is "a situation that I'm very concerned about." "I hope the yen's rise will be temporary one," he said.

The Japanese currency recorded another historic high of 104.45 yen against the dollar in Tokyo currency dealings Monday afternoon, as the crisis of the European exchange rate mechanism drove investors fleeing from European currencies to the safer-looking yen.

PRC Replaces Germany as Number 2 Trade Partner

OW0208094693 Tokyo KYODO in English 0912 GMT
2 Aug 93

[Text] Tokyo, Aug. 2 KYODO—China replaced Germany as Japan's second-biggest trading partner in the first half of this year, as its economy boomed under Beijing's open-market policy, the Japan External Trade Organization (JETRO) said Monday. A JETRO report said two-way trade in the January-June period reached a customs-cleared total of 16.60 billion dollars, a 29.7 percent surge over the previous year. The figure, which translates into about a 6 percent share of Japan's 292.78 billion yen [currency as received] external trade, catapulted China to the second slot from last year's fifth place in the ranking of Japan's major trading partners following the United States. JETRO officials said the swelling bilateral trade reflects China's explosive economic growth, which is tallied at a real 13.9 percent in the first six months of 1993.

Japan's China-bound exports amounted to 7.83 billion dollars, up 51.1 percent, while imports increased 15.2 percent to 8.77 billion dollars. By item, machinery exports from Japan increased 67.4 percent, as shipments of steel grew more than two-fold and passenger cars increased more than eight-fold. On the import front, slumping Japanese domestic demand for imports was canceled out by active sales by the Chinese units of Japanese companies, with textiles and seafoods posting

notable increases. For the entire year, JETRO estimated total two-way trade will be more than 30 billion dollars, citing continued buoyant Chinese demand for Japanese goods.

2 Chinese A-Bomb Survivors Given Medical Passes

OW3007115493 Tokyo KYODO in English 1103 GMT
30 Jul 93

[Text] Hiroshima, July 30 KYODO—Two Chinese survivors of the atomic bombing of Hiroshima received health cards from the city government on Friday entitling them to free medical treatment in Japan. The special passbooks for those still suffering health problems due to the bomb were handed to Lu Xuewen, 72, who lives in Shandong Province, and Meng Zhaoen, 69, of Hebei Province, after they applied earlier in the day. City officials said the unusual promptness was because the two are staying in Japan for only a short period. The two men also met Hiroshima Mayor Takashi Hiraoka, who told them the Japanese people are deeply remorseful for what happened to the Chinese.

Lu and Meng said they were in a Hiroshima prison two kilometers from the center of the blast when the bomb fell on August 6, 1945. They said they had been forcibly drafted during World War II from China as construction workers for a hydroelectric power plant in Kake, Hiroshima Prefecture. They were among more than 10 Chinese workers imprisoned in July 1945 on suspicion of involvement in the killing of two pro-Japanese Chinese at the construction site, they said.

The Foreign Ministry said that of 360 Chinese drafted to work on the power plant during the war, 26 had died from the bomb blast, illness, or accidents by the time Japan surrendered August 15, 1945. At least five Chinese were in the prison the day of the bombing, and one of them died, according to a local citizens' group that assists Chinese workers drafted by Japan under the National General Mobilization Law issued in 1938.

The group said only one other Chinese forced laborer, Zhang Wenbin, 72, of Henan Province, has been registered as an atomic bomb survivor. He received a passbook in May. The group invited Lu and Meng to apply for the passbooks.

They will attend a memorial service in Kake on Saturday for Chinese who were drafted for the power plant construction, group members said. They will also attend ceremonies August 6 in Hiroshima marking the 48th anniversary of the atomic bombing, the members said. They will be the first Chinese forced laborers who were victims of the bombing to attend the annual ceremonies.

Vietnamese Boat People Intercepted Off Nagasaki
OW3107043593 Tokyo KYODO in English 0354 GMT 31 Jul 93

[Text] Nagasaki, July 31 KYODO—Forty-five suspected Vietnamese were found crammed aboard a small wooden boat off Nagasaki Prefecture, western Japan Saturday morning, Maritime Safety Agency officials said. A fishing vessel found the 10-meter-by-2-meter boat about 11 kilometers west of a Nagasaki island at around 7:10 A.M., the officials said. Four patrol boats arrived at the point to make the initial inspection. The refugee group told the agency officials that they had departed from Vietnam and were headed for Japan via South Korea. All 45 people, including one child, speak Vietnamese, the officials said.

Meanwhile, the immigration bureau in Nagasaki started checking a separate group of 20 Vietnamese who were found Friday aboard another wooden craft in the East China Sea off Nagasaki.

Local Governments Hire Few Foreigners

OW3107095993 Tokyo KYODO in English 0903 GMT 31 Jul 93

[Text] Tokyo, July 31 KYODO—Most municipal governments impose a binding "nationality clause" banning recruitment of foreigners as public servants except for a few job categories, such as nurses and nutritionists, according to a nationwide survey released Saturday. These local governments limit the scope of public job categories available to foreigners to such positions as public district nurse, nursery governess and physical therapist, according to a 1992 survey by the All Japan Prefectural and Municipal Workers' Union. The survey covered the 1,148 municipal governments and local autonomous bodies in Japan's 47 prefectures.

A union official said, "we want the municipal governments to accept more foreign nationals into public posts on the basis of their voluntary judgments."

The prefectures of Aomori and Tokushima exclude non-Japanese nationals from all public posts, the poll found. Most municipal governments still maintain the nationality-based regulation barring non-Japanese nationals from such important public professions as local administrators and teachers, it says. The Home Affairs Ministry has discouraged local municipal governments from assigning foreigners to the posts of local administration officials, saying foreigners should not be given positions entailing "the possibility to use public power." The Tokyo Metropolitan Government is the sole municipal body without a nationality clause in recruiting teachers of its elementary, junior, and senior high schools, the poll found.

An official of the Tokyo government's Board of Education, however, said, "if foreigners should pass our examinations for obtaining teaching jobs, we would quickly

have to consider whether to employ them as full-fledged permanent teachers or as part-time teachers."

A total of 26 out of the 47 prefectures have employed foreigners as public servants. Among them, Tokyo ranked first by putting 53 non-Japanese on its regular payrolls, followed by Osaka with 38. Hyogo Prefecture ranked third by hiring 27 foreigners. Many of the prefectures employ the foreigners as nurses or doctors, the survey says. Out of the 1,148 municipal governments and local autonomous bodies, 46 percent exclude foreigners from all public posts on the basis of the nationality clause and 25 percent accept foreigners into some job categories, it says. Thirty percent did not have any nationality clause in recruitment rules, the survey added.

Hosokawa Interviewed on Reform Plans

OW3007060693

[Editorial Report] Tokyo NHK General Television Network in Japanese at 1230 GMT on 29 July begins carrying a 90-minute interview program by NHK reporter Yuko Kuniya and commentator Takashi Yamamoto conducted at an NHK studio in Tokyo. Featured are the heads of the seven political parties—Sadao Yamahana, of the Social Democratic Party of Japan (SDPJ); Tsutomu Hata, head of Shinseito; Koshiro Ishida, chairman of Komeito; Masayoshi Takamura, representative of Sakigake; Keigo Ouchi, chairman of the Democratic Socialist Party; Satsuki Eda, representative of United Social Democratic Party; and Morihiro Hosokawa, head of the Japan New Party—who earlier in the day formally announced their agreement to form a coalition government to replace the existing Liberal Democratic Party government.

The Japan New Party's Hosokawa, who was elected the same day by the seven parties as their prime ministerial candidate for the forthcoming House of Representatives session, does not participate in the interview program in person because of another appointment, but a 16-minute recording of an interview taped earlier in the day at the NHK studio is shown during the program from 1238 GMT until 1254 GMT.

Speaking in the interview, Hosokawa is not very forthcoming in his views and thoughts in response to commentator Yamamoto's specific questions about the nature of the new administration. Hosokawa's responses are mostly general, and he frequently says: "I am not prime minister yet."

Yamamoto says to Hosokawa: "You have been put in charge of the new government. Will you tell us how you feel—now that you have such a heavy responsibility to bear?"

Hosokawa replies: "Talk about that (naming him as prime minister) came out in a meeting of the seven parties and the single floor group (the Democratic Reform Party, a small parliamentary group in the House of Councillors) today. I decided to accept it, thinking this

is God's will. Conditions are rough now at home and abroad. I think we will have no alternative but to make difficult choices in all issues. That being the case, I foresee only heavy responsibility. But I think I must do everything to respond to the wishes of the people."

Yamamoto notes that the people in general are most interested in finding out what kind of government the new government will be, and asks Hosokawa how different the new government will be from the existing one.

Hosokawa says: "As you said yourself, I am yet to be elected prime minister (by the House of Representatives). Hence, it is still not the appropriate time for me to comment. But, if we assume I am elected prime minister, I would like to shape a government which is sure of where it is heading. I do not want the government to have its hands on everything; I want it to narrow its targets to selective ones. I want the government to prioritize its targets and schedule them accordingly. That is how I think."

Yamamoto asks Hosokawa to be more specific in his answer. Yamamoto says: "You used to talk about the need for a government that can tell the people the government has changed. What kind of government is that?"

In response, Hosokawa says: "One thing, I think, would be to assign the right people to the right positions. That question will come up eventually, and needs to be dealt with henceforth. It is too early for me to make a comment on that now."

Yamamoto says: "I think it was yesterday when you said people not in politics now will be asked to join the cabinet as well. So you are still thinking about that possibility? And are you thinking about naming women to the cabinet?"

Hosokawa replies: "That, too, is a question to be tackled only after a prime minister is formally named. I think I should refrain from making a comment on that matter rashly, but personally I have felt that such a direction is desirable."

Yamamoto brings up the question of political reform, and notes that the announcement of the seven parties that day says they intend to carry out reform before the end of this year. The newscaster asks Hosokawa if the new administration has now publicly pledged to carry out political reform.

Hosokawa replies: "There are many tasks to be tackled—economic stimulus measures, pending issues in foreign affairs, and so forth. But, there is no question that as far as the seven parties and one floor group are concerned, the highest priority task is political reform."

The newscaster pursues his question on political reform further, asking whether Hosokawa's view on the election system—250 seats elected from the small electoral district system and 250 from the proportional representation system—is fixed and immovable.

The NJP head says: "No, that is not the case. That is only basic thinking." Yamamoto asks: "So, you mean, then, your stand is more or less flexible," and Hosokawa replies: "Yes."

Yamamoto brings up the issue of political funds, and asks Hosokawa: "When do you intend to abolish the system of corporate donations?"

Hosokawa replies: "It will depend on how fast the tax system and the public fund system can be changed. There are things that need to be done first—the scale of public assistance needs to be set, and the taxation system needs to be studied with financial authorities. In other words, the matter will depend on when these problems are resolved."

Yamamoto notes that Gaishi Hiraiwa, head of the Japan Federation of Economic Organizations (Keidanren), said Keidanren is thinking of adding new conservative parties to the list of its donation recipients, and asks Hosokawa whether his party will accept political donations from the federation. Hosokawa says his party will accept donations, explaining, "until there are new laws, there is no choice."

The newscaster then notes that at the meeting of the seven parties' today they declared their coalition government will take over the basic policies on national security and foreign affairs from the existing government. He says the people are curious to learn what will happen with regard to the differences between the present government and the SDPJ in these basic policy matters. Yamamoto asks Hosokawa how the differences can be narrowed.

Hosokawa says: "It appears that various questions were raised in the SDPJ with regard to these policies, but I understand the party decided to put the matter on hold, and to approve the continuation of these policies by the new government. The document of agreement by the parties was subsequently prepared. I think this means there will be no major deviation from the policies of the existing government (where these two policy areas are concerned) and that the thinking of the existing government will be continued."

Says Ozawa Rejected Cabinet Post

*OW0208051393 Tokyo NHK General Television
Network in Japanese 0300 GMT 2 Aug 93*

[From the "NHK News" program]

[Text] Morihiro Hosokawa, head of the Japan New Party and the non-Liberal Democratic Party [LDP] alliance's candidate for prime minister, granted an interview to a group of reporters at Karuizawa-machi in Nagano Prefecture this morning.

Hosokawa disclosed that he had asked Ichiro Ozawa, representative of Shinseito [Japan Renewal Party], to join the cabinet, but that Ozawa had rejected his request.

[Begin Hosokawa recording] I asked Mr. Ozawa, but he said he would do anything but that. Therefore, I think it will be rather difficult. [end recording]

On the issue of allocating cabinet posts, JNP representative Hosokawa said consideration would be given, to a certain extent, to the number of Diet members held by each non-LDP party and that for the purpose of giving the cabinet a new complexion, he was considering inviting some women and people from the private sector to join the cabinet.

Hata Likely Deputy Premier, Finance Minister

OW0208005493 Tokyo KYODO in English 0041 GMT 2 Aug 93

[Text] Tokyo, Aug. 2 KYODO—Opposition alliance parties had informal talks Sunday on sharing cabinet posts in a coalition government, with Shinseito (Japan Renewal Party) leader Tsutomu Hata tipped as deputy premier and finance minister, party sources said Monday. The talks were held by the secretaries general of the seven parties in the alliance expected to take over government from the Liberal Democratic Party (LDP), which has ruled Japan for 38 years.

Hata had earlier been mentioned as likely to serve as deputy prime minister and foreign minister in a government headed by Morihiro Hosokawa, leader of the Japan New Party and the alliance's candidate for prime minister when the Diet convenes later this month. According to the sources, Hosokawa intends to offer Social Democratic Party (SDP) Chairman Sadao Yamahana a key cabinet post, but Yamahana is reportedly reluctant to accept the offer because he wants to take responsibility for the SDPJ's [Social Democratic Party of Japan] crushing defeat in the July 18 general election.

Yamahana, meanwhile, postponed asking former SDPJ chairwoman Takako Doi to serve as House of Representatives' speaker, according to the sources. Doi, who is reportedly reluctant to accept the offer, has not made up her mind yet, the sources said.

Leaders of the opposition parties are considering holding a meeting of the party chiefs about the distribution of cabinet posts before a special Diet session opens on August 5, the sources said.

Government To Call 5 Aug Diet Session

OW0208090293 Tokyo KYODO in English 0831 GMT 2 Aug 93

[Text] Tokyo, Aug. 2 KYODO—The government decided Monday to convene a mandatory special Diet session on Thursday to name a new prime minister to replace outgoing premier Kiichi Miyazawa, officials said. The decision was made in a round robin cabinet meeting, the officials said. Under Article 70 of the Constitution, Miyazawa's cabinet must resign en masse immediately after the special Diet session is convened. The resignation spells the end of the Liberal Democratic

Party's 38-year grip on power. The parliamentary election to choose the next prime minister is expected to take place on the first day of the Diet session, according to parliamentary sources.

Morihiro Hosokawa, head of the Japan New Party (JNP), is a virtual shoe-in for prime minister since the combined strength of seven opposition parties that support him surpasses that of the long-governing LDP. A general election was held July 18 for the House of Representatives following a motion of no-confidence against the government. Last week, the seven parties—the Social Democratic Party (SDP) [of Japan], Shinseito, (Japan Renewal Party), Komeito, JNP, Democratic Socialist Party, Sakigake (Harbinger) and the United Social Democratic Party—agreed to form a non-LDP, noncommunist coalition government and to field Hosokawa as their candidate for prime minister. The Democratic Reform Party, a parliamentary group that has seats in the House of Councillors, also joined the seven-party force.

The Diet election for prime minister may be extended to Friday if there is no agreement between the alliance and the LDP over choosing the speaker and vice speaker of the lower house. The non-LDP group is pushing former SDP Chairwoman Takako Doi to become speaker of the lower house. But Doi has not formally accepted the offer.

The LDP, meanwhile, insists that the lower house speaker be selected from the LDP since it has the largest membership, or 225 seats in the 511-member lower house, and that is Diet custom. The lower house speaker customarily is chosen among members of the largest party while the vice speaker is selected from the second-ranked party.

The seven parties intend to end the special Diet session around August 12 after deciding members of committees in both Diet houses. The non-LDP alliance plans to call an extraordinary Diet session in September to discuss political and electoral reform measures, the sources added.

Kono Fills Top LDP Leadership Posts

OW0208094893 Tokyo KYODO in English 0928 GMT 2 Aug 93

[Text] Tokyo, Aug. 2 KYODO—Yohei Kono, president of the Liberal Democratic Party (LDP), Monday named Trade Minister Yoshiro Mori as LDP secretary general to replace outgoing Seiroku Kajiyama, party officials said. Kono also named Yoshiaki Kibe, a former construction minister, as chairman of the highest decision-making Executive Council to replace Koko Sato, the officials said. Kono also named former Finance Minister Ryutaro Hashimoto as chairman of the party's Policy Affairs Research Council, the officials said. Hashimoto replaces Hiroshi Mitsuzuka as chief of the policy-making body. The Executive Council agreed to the new party lineup.

Mori, 56, is a member of the LDP's largest faction led by Mitsuzuka. Hashimoto, 56, is a member of the LDP's

fourth-largest faction led by former Chief Cabinet Secretary Keizo Obuchi. Kibe, 67, belongs to the LDP's third-largest faction led by former Foreign Minister Michio Watanabe.

Kono, chief cabinet secretary, was elected Friday to the post of party president to succeed outgoing Prime Minister Kiichi Miyazawa. He beat Watanabe for the job. Kono, 56, assumed the party presidency at a time when the LDP is set to become an opposition party for the first time in nearly four decades. Kono spurned earlier suggestions from within the party to name Mitsuzuka as LDP secretary general. He is determined to create a fresh image for the party following a slew of bribery and mobster scandals, LDP sources said.

Immediately after garnering the Executive Council's endorsement of the new lineup, Kono held a meeting with the three, instructing them to prepare for an imminent parliamentary confrontation with an expected seven-party coalition government, the LDP officials said. Kono instructed them to create an intra-party regime ready to counter possible defections or bickering on new policies presented by the new coalition government led by Japan New Party leader Morihiro Hosokawa, they said. He also instructed the three to cooperate in reconstructing the LDP as it goes into opposition after 38 years in power. Among measures Kono is considering is promoting young legislators to responsible party posts, they said.

After this, the three new executives called a joint news conference at LDP headquarters, predicting an aggressive parliamentary stance as a new opposition force. "The non-LDP coalition has not yet demonstrated what type of country they would like to transform this country into. It is important to refute each of the new government's policies," Mori said. Kibe told reporters: "We would like to ride over the crisis faced by our party by placing both young and veteran legislators into the Executive Council." Hashimoto said: "We would like to propose bold policies."

New Secretary General Profiled

*OW0208115893 Tokyo KYODO in English 1130 GMT
2 Aug 93*

[Text] Tokyo, Aug. 2 KYODO—Yoshiro Mori, who has become secretary general of the dominant Liberal Democratic Party, its No. 2 post, is an expert on education policy. He was picked for the post as he is not likely to alienate anyone within the party, which is set to lose its 38-year grip on power, LDP sources said.

A graduate of Waseda University, Mori, 56, is deemed the most likely successor to Hiroshi Mitsuzuka, current leader of the LDP's largest faction. Mori is the No. 2 man in the faction. Mori was elected for the first time to the House of Representatives in 1969 at the age of 32. After enjoying the backing of LDP elder Takeo Fukuda, he was named education minister at the age of 46. As one of the party's education policy specialists, he visited South

Korea to apologize for Japan's wartime acts after high school history textbook accounts of Japan's aggression angered Koreans.

After being implicated in the Recruit stocks-for-favors scandal in 1988 he came under public fire and had to keep a low profile for three years by distancing himself from cabinet and key LDP posts. He received 3,000 bargain-priced shares of a Recruit Co. subsidiary which was at the center of the scandal.

However, when Prime Minister Kiichi Miyazawa came to power in 1991, he made a comeback to the political center stage by being named chairman of the LDP Policy Affairs Research Council. When Miyazawa reshuffled his cabinet in December 1992, he was named to lead the Ministry of International Trade and Industry. He has been elected to the lower house nine times from the No. 1 Constituency in Ishikawa Prefecture.

New Policy Board Chief Profiled

*OW0208113193 Tokyo KYODO in English 1057 GMT
2 Aug 93*

[Text] Tokyo, Aug. 2 KYODO—Ryutaro Hashimoto, 56, who has assumed the post of head of the policy board of the Liberal Democratic Party (LDP), is one of the most popular politicians in opinion polls and an experienced policy-maker in the party. His late father Ryugo was health minister, and his younger brother Daijiro is the governor of Kochi Prefecture.

Hashimoto, a graduate of Keio University, was elected to the House of Representatives for the first time in 1963 from the No. 2 Constituency in Okayama Prefecture. The 11-term lower house member has served as health minister, transport minister, finance minister and LDP secretary general.

During the Persian Gulf crisis Hashimoto, as finance minister, was a key figure in working out Japan's 9 billion dollar contribution to the multinational forces in response to a U.S. request.

He is a member of the LDP's fourth-largest faction founded by former Prime Minister Noboru Takeshita and currently led by Keizo Obuchi. Hashimoto and Ichiro Ozawa, who left the LDP and formed Shinseito [Japan Renewal Party], were rivals within the Takeshita faction.

He practices the Japanese martial art of Kendo once a week and as a student enjoyed mountain climbing.

LDP's Kono Criticizes Hosokawa, Non-LDP Coalition

OW3107035193

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0600 GMT on 30 July begins a live

relay of a 30-minute news conference by Liberal Democratic Party (LDP) President-elect Yohei Kono from the LDP Headquarters in Tokyo.

An unidentified moderator starts the proceedings by asking for Kono's first comment as LDP president-elect in connection with the current political situation where the party is expected to step down from the power for the first time since its foundation in 1955. Kono replies: "I feel Japan's politics are facing a great transitional period. I thought the predominance of the LDP and the Social Democratic Party of Japan over the Japanese political scene would not last forever, and I guess we are now facing the anticipated situation."

Kono continues: "As reported in the newspapers, I am aware of several parties' moves to seek a coalition. However, in the latest general elections we won over 220 seats. This is more than the pre-election strength of the LDP, and is more than three times larger than the second largest party. We must be responsive to this strong public support. We must also seriously consider the fact that the LDP has lost its lower house majority. I think all LDP members must think about why we lost the majority. In my opinion, the LDP's defeat is a result of public distrust of political circles, and LDP rule in particular. Therefore, we are expected to work on drastic party reform to make it the starting point of party restructuring."

Asked for a comment on the opposition's accord on forming a non-LDP coalition, Kono says: "I strongly feel they are just trying to glue together the inconsistencies under the banner of political reform. In this connection, I think the eight-party coalition has conformity neither in quality nor in its direction. It is difficult for me to understand the coalition, although I am closely watching its movement. It should be much more difficult for the public. The public is probably wondering, with some interest and much apprehension, about the true colors of the alliance. To eliminate public concern and reveal the true nature of the coalition, the LDP will put forward much debate."

Kono then hints at the LDP's strategy to devote itself to criticism of the coalition, saying: "If the eight parties jointly win the premiership, they are supposed to immediately reveal the coalition's basic policies. We will question them to reveal the true nature of the coalition to the public because that is our responsibility."

An unidentified reporter then notes that the LDP and the non-LDP alliance have adopted the same electoral reform plan to submit to the next Diet session, and asks if the LDP will support the non-LDP coalition in enacting the new political reform bills. In reply, Kono avoids a definite commitment on supporting the non-LDP coalition, saying: "As a matter of course, we are supposed to seek enactment of a political reform package—electoral reform, anti-corruption, and control of political funds—in a form that will meet public expectations."

Regarding present LDP goals, Kono says: "To win the next election is currently our biggest task. I would like to always be prepared to win back power, as if I am everyday on a battlefield."

When asked about the LDP's attitude toward the coalition led by Japan New Party head Morihiro Hosokawa, Kono takes a neutral stance toward Hosokawa himself, but criticizes the leadership of Shinseito, noting their power-oriented political stance remains unchanged. He says: "I think everyone has certain expectations for Mr. Hosokawa. He has experience as the top leader of a local government. While some people say his experience in national administration is limited, I think his leadership in local government is very accountable."

"Meanwhile, the process of nominating Mr. Hosokawa was very difficult to understand. When Mr. Hosokawa has a problem, which party will assume responsibility? While I am not talking about the capability of parties according to their size, the election process was very unclear. As noted in your question, many people are already wondering if the coalition has a double power structure. Therefore, the real nature of the coalition must be made public as soon as possible, and Mr. Hosokawa should clarify his basic policies."

In conclusion, Kono says: "The LDP should sincerely review its problems. It should work on party reform, focusing on the alleged connection between money and politicians. And I believe members of Shinseito feel the same."

Finance Minister Doubts Coalition's Competence

OW3007035793 Tokyo KYODO in English 0310 GMT 30 Jul 93

[Text] Tokyo, July 30 KYODO—Finance Minister Yoshiro Hayashi Friday questioned the competence of a coalition government that is expected to be formed next week replacing and leaving out the long-ruling Liberal Democratic Party (LDP). "Can you expect any new policies (from the planned new coalition government)?" Hayashi asked at a regular press conference held after the cabinet meeting.

Hayashi stressed the need to hasten the process of compiling next fiscal year's budget plan, which has been lagging due to the political turmoil. He said ideas by non-LDP parties to review the budget to make it more flexible is nothing new, and he questioned their capability to smoothly organize the program. He said compiling the budget also involves political issues that the non-LDP parties have differed upon such as the defense spending. The Finance Ministry has rejected calls for cutting the income tax to spur consumption, citing lack of the source of funds and its effectiveness. Hayashi, though, sarcastically challenged the non-LDP parties that it would be against their campaign pledge if they fail to realize the tax reduction.

He said that although not confirmed, the Diet is expected to be convened on August 5 to elect a new prime minister.

Turning to the state of Japan's economy, Hayashi said he sees signs of recovery in industrial output but consumption remains sluggish because of a long rainy season and political turmoil. He was skeptical, however, that the current slowdown will be a double dip recession.

LDP, Coalition Jockey Over Aug, Sep Diet Meets

OW0108151593 Tokyo NHK General Television Network in Japanese 1000 GMT 30 Aug 93

[From the "NHK News 7" program]

[Text] The seven-party alliance opposing the Liberal Democratic Party [LDP] has decided to make the upcoming special Diet session, which is scheduled for 5 August, short and to open an extraordinary Diet session as early as September to tackle political reform bills. The seven parties, including the Social Democratic Party of Japan [SDPJ] and Shinseito [Japan Renewal Party], are expected to form a coalition cabinet during the forthcoming special Diet session.

The LDP is demanding that the special session be held longer than the non-LDP alliance wants. The LDP is also saying that the forthcoming special session should include a general policy speech by the new coalition cabinet as well as an opportunity for the opposition party to question the government on its policy.

After coordinating among themselves, the seven parties have decided to make the special session a short one; only for appointing cabinet ministers. They also have firmed up a plan to hold an extraordinary Diet session as early as September to address the subject of political reform.

In this regard, Japan New Party representative Morihiro Hosokawa, who is the non-LDP coalition's candidate for the post of prime minister, said at his meeting this afternoon with Chairman Keigo Ouchi of the Democratic Socialist Party, that he wants to hold the extraordinary Diet session in early September and to pass political reform bills by the end of October because the process of compiling next year's budget bills will start in late November.

It seems that the seven non-LDP parties want to make the special Diet session short and hold the extraordinary session in September for the following reasons: they need some time to agree on policy prior to submitting the political reform bills to the Diet, and the SDPJ needs to settle an issue regarding its executive department's responsibility for the loss in the recent Lower House election.

Coalition Seen Winning Majority Under New System

OW0108094293 Tokyo KYODO in English 0836 GMT 1 Aug 93

[Text] Tokyo, Aug. 1 KYODO—The seven-party coalition could win a majority in a general election under a proposed new electoral system if it fields joint candidates, a KYODO NEWS SERVICE estimate shows. The seven parties, which have agreed to form a coalition government, will take a majority of 283 seats of the 500 planned for the House of Representatives, while the Liberal Democratic Party (LDP) will seize 197, the estimate indicates. The calculation is based on votes garnered by the parties in the July 18 general election. However, if the seven parties put up their own candidates separately, the alliance would get only 168 seats while the LDP would win an overwhelming 305. The seven parties are the Social Democratic Party (SDP) of Japan [SDPJ], Shinseito (Japan Renewal Party), Komeito, the Democratic Socialist Party (DSP), the United Social Democratic Party (USDP), the Japan New Party (JNP) and Sakigake (Harbinger).

The new electoral system proposed jointly by the JNP and the LDP breakaway Sakigake, calls for allocating 250 seats each to single-seat constituencies and to proportional representation. In the July 18 election, a total of 955 candidates fought for 511 seats in 129 multi-seat constituencies to each of which two to six seats were allocated. In that election, the seven parties took a combined 244, while the LDP got 223.

The JNP and Sakigake proposed the new election system to other parties as a condition for their joining the coalition. The five noncommunist opposition parties accepted the proposal and agreed to enact the plan by the end of the year.

Government Formalizes Freeze on Rice Price

OW3107085993 Tokyo KYODO in English 0839 GMT 31 Jul 93

[Text] Tokyo, July 31 KYODO—The government formalized a freeze in the government purchase price for this year's rice crop late Saturday, government officials said. The price the government will pay farmers for rice is the same as last year, 16,392 yen per 60 kilograms. The decision came after the Rice Price Council, an advisory panel to the agriculture minister, failed to work out a clear-cut proposal on this year's government purchase price for rice.

In a report submitted to Minister of Agriculture, Forestry, and Fisheries Masami Tanabu, the council wrote down three proposals in a parallel manner—price hike, price cut and freeze, the officials said. The council was earlier expected to endorse a freeze in the price in response to strong pressure from the Liberal Democratic Party (LDP) for rejecting a government proposal for a price cut. The price freeze for Japan's staple food is the second in as many years. With the latest decision, the

consumer price for the 1993 rice crop, to be fixed at the end of this year, is also likely to be kept unchanged at the previous year's level.

The price freeze came after tough negotiations between the government, which sought a cut in the price as production costs have dropped, and the LDP, which pressed for a hike in a bid to woo farmers back into the fold for the next general election. This year's government purchase rice price is kept unchanged but farmers will be paid an extra 16.8 billion yen in subsidies, payments meaning a net hike of 2.55 percent. Last year, such payments totaled 6 billion yen.

Tanabu later told reporters the ministry will study the council's recommendation for the establishment of a basic pricing policy. The question cannot be left untouched, he said. Asked to comment on the council's failure to come up with a firm recommendation on rice prices, Tanabu said it is natural for the council to have various views.

Mamoru Sawabe, chairman of the council, criticized the government for failing to set up a firm policy of setting rice prices. He expressed hope that the government would work out a basic rice price policy as soon as possible.

Komeito, a member of the coalition government that will take over power from the Liberal Democratic Party, welcomed the virtual hike of rice prices, citing it will help boost the income of rice growing households. Generally speaking, the decision was justifiable, a party statement said.

Ministry Says Conditional Deficit Bonds Possible

OW3007121893 Tokyo KYODO in English 1013 GMT 30 Jul 93

[Text] Tokyo, July 30 KYODO—Vice Finance Minister Jiro Saito indicated Friday that floating deficit-financing bonds may be an option to cover potential income tax reduction so long as they are conditional and can be redeemed within a year or two. Speaking at a regular news meeting, Saito said the possible option does not change his previous opposition to "deficit-covering bonds" because he does not consider these bonds to be in that category. He said the ministry has been against issuing deficit financing bonds since it would merely postpone the burden to future generations. As long as the measure is effective and is capable of being redeemed within a limited period of time, he said it would be more of "filler" bond than "deficit financing" debt. Japan issued such "filler" bonds during the Persian Gulf war.

Saito said, however, the scheme will depend on the degree of assurance that such short-term debts can actually be redeemed, and also that it will probably be difficult under current tight fiscal conditions. The Finance Ministry has been stubbornly rejecting income tax reduction to spur slumbering consumption, questioning its effectiveness and the problem of where to get

the funds to carry out the plan. General debate on the feasibility of issuing short-term deficit financing has appeared earlier but the ministry's response had always been the same.

Turning to the expected forming of a coalition government by non-Liberal Democratic Parties, Saito said he generally finds no problem with policies expressed by those political parties, and even partly welcomed the change saying it would allow them to diversify their debates and absorb various opinions. Asked whether the demise of the one-party rule could strengthen the power of bureaucrats, Saito said that cannot happen as long as politicians have good control over themselves while, in a way the bureaucrats will serve as an administration's "think tank."

With regard to the renewed strength of the yen against major currencies, Saito said players who are bearish on the German mark seem to be acquiring the Japanese unit in the wake of volatility in the European monetary system. But the move is speculative, he said, and the Group of Seven (G-7) major economic powers will not hesitate to take necessary and appropriate action in accordance with their agreement on achieving stability in the currency exchange market. In London, the U.S. dollar plunged to a new global intraday low of 104.20 yen Friday.

Poll: Local Governments Reforming Bidding Systems

OW3107031593 Tokyo KYODO in English 0249 GMT 31 Jul 93

[Text] Tokyo, July 31 KYODO—Confronted with pressure from a series of corruption cases involving the construction industry, Japanese municipal governments are changing their bidding systems for public works projects, a survey showed Saturday [31 July]. Forty of Japan's 47 prefectural governments and 10 of the 12 cities with powers to make ordinances have already started improving the bidding procedures for their public works projects, it showed. Many local governments are likely to conclude examinations of their systems within current fiscal 1993, ending next March, according to the survey, conducted by KYODO NEWS SERVICE.

The Construction Ministry is also expected to ask the central council on construction contracting business next Monday to consider a plan to introduce limited public tenders instead of the present system of allowing only nominated companies to make bids. As a result, Japan's bidding system for public works projects is likely to change drastically within a year or so, industry sources said.

Among the 50 local governments that say they have already started making changes, 29 prefectural governments, including Nagano and Kagoshima, and seven cities said they have set up committees or study groups to consider improvements. Another five prefectures are planning to establish similar bodies in the near future. The autonomous bodies began the reexamination after

the ministry council last November proposed making public the standards used to decide which companies are nominated for bidding.

The Construction Ministry also disclosed in May a plan to modify the bidding system following a scandal involving disgraced political kingpin Shin Kanemaru, who allegedly accepted huge payoffs from construction companies for helping them win contracts.

Recent reports linking leading Japanese construction firms to corruption and bribery cases in local government public works projects have also prompted local bodies to take action, the industry sources said. Another factor has been mounting criticism by the U.S. of Japan's system for awarding public works contracts. The U.S. has strongly urged Japan to change its bidding system to open public tenders in which U.S. companies could be guaranteed more opportunities to take part in Japanese public works projects.

About 70 percent of Japanese public works projects, which are widely regarded as a hotbed for bid-rigging, are administered by local authorities. More than 14 trillion yen worth of public works projects are expected to be awarded by the 47 prefectures in fiscal 1993.

Most local governments surveyed said, however, that they are considering modifying the bidding system within the framework of existing nominative tenders to secure construction quality and avoid confusion among local small constructors. Only nine governments, including Niigata and Gifu prefectures and Kawasaki city, said they will consider introducing limited public tenders, open to any enterprises capable of fulfilling certain conditions.

The survey also showed that 20 prefectural governments and six cities have made public their standards for nominating construction companies, including the results of past building and management conditions. The remainder have not at all made their standards open, showing the closed-door character of the bidding system in local governments, industry critics say.

North Korea

Daily: Success of Talks Depends on U.S.

SK0208053093 Pyongyang KCNA in English 0521
GMT 2 Aug 93

["Each Side's Sincere Efforts Are Needed"—KCNA headline]

[Text] Pyongyang, August 2 (KCNA)—The questions discussed at the recent DPRK-U.S. talks in Geneva deserve welcome and the consensus on a series of matters is inspiring, a NODONG SINMUN analyst today says, and goes on:

Only an agreement reached or a promise made at talks is of no use. The point is for each side to fulfil its duty clearly.

The United States must give legal assurances of nuclear non-use and assurances that it would refrain from deployment of nuclear weapons in South Korea and do what it should, such as ending the "Team Spirit" joint military exercises.

Since it manifested its willingness to provide light water moderated reactors, the United States must not come out with this or that pretext or set unreasonable preconditions, but pay attention to carrying it into practice.

The International Atomic Energy Agency must return to the principle of impartiality.

Of most primary importance for dialogue between the North and the South of Korea is to exchange special envoys to arrange summit talks.

The DPRK pays heed to the fact that the United States has expressed understanding and support for the DPRK's offer to exchange special envoys.

It entirely depends on the South side's attitude whether the North-South dialogue is held successfully, or not.

A fundamental solution of the nuclear problem on the Korean peninsula hinges on what sincere efforts the parties concerned will make.

Whether the third-stage DPRK-U.S. talks will be successful, or not, obviously, depends largely on the U.S. side's attitude.

Spokesman Views Japan's Position on Nuclear Issue

SK0108235693 Pyongyang Korean Central
Broadcasting Network in Korean 2114 GMT 1 Aug 93

[Text] A spokesman of the DPRK Foreign Ministry answered as follows a question raised by a Korean Central News Agency reporter in relation to the Japanese Foreign Minister Muto recently once again found fault with us under the pretext of the nonexistent nuclear development.

According to a foreign news report, in a news conference with reporters accompanying him in Singapore on 28 July, the Japanese foreign minister once again found fault with our nonexistent nuclear development and made a very serious and provocative remark by saying that the United Nations must take economic sanctions against us, that our nuclear development is a threat to Japan, that in an emergency it can withdraw from the Nuclear Nonproliferation Treaty [NPT], and so on.

This only reveals Japan's ambition of trying to become a country possessing nuclear weapons without fail by withdrawing from the NPT under the pretext of our nuclear issue.

Another reason Japan continuously bustles about at the forefront concerning suspicions of our nuclear development stems from the fact that as a result of being extremely bewildered by the progress in the DPRK-U.S. talks, it is trying to prevent this progress at any cost.

If the people in Asian countries, who were the direct victims of Japan's aggression in the past, and the world's peace-loving people are not able to check at the right time the Japanese authorities' reckless attempt to become a big nuclear and military power by possessing nuclear weapons without fail, a grave situation will result in which peace and security in the world as well as in Northeast Asia will be greatly threatened by Japan's nuclear weapons.

The people of Asia and the rest of the world who treasure justice and peace should show just vigilance regarding this and exert joint efforts to check and frustrate [patan] Japan's ambition of arming itself with nuclear weapons.

Criticizes Japanese Minister's Remarks

*SK0208053693 Pyongyang KCNA in English 0516
GMT 2 Aug 93*

["DPRK FM (Foreign Ministry) Spokesman on Japan's Desire To Become Nuclear Possessor"—KCNA headline]

[Text] Pyongyang, August 2 (KCNA)—A spokesman for the DPRK Foreign Ministry answered a question put by KCNA [Korean Central News Agency] Sunday as regards the slander hurled by Japanese foreign minister, Muto at the DPRK in an interview with the press corps accompanying him in Singapore on July 28, again bringing forward its fictitious "nuclear development".

He said:

The Japanese foreign minister provoked us, crying that "the United Nations should take economic sanctions against the DPRK and Japan might withdraw from the Nuclear Nonproliferation Treaty [NPT], in case of emergency, if the DPRK's nuclear development posed a threat," bringing forward again its "nuclear development." These very provocative remarks revealed Japan's wild ambition to become a nuclear state at any cost by withdrawing from the NPT under the pretext of the DPRK's "nuclear problem".

Japan is taking the lead in kicking up a row over the "suspicion of nuclear development" against the DPRK, urged by the desire to block the DPRK-U.S. talks by all means, utterly dismayed at its progress.

Unless the Asian people, a victim to the Japanese aggression in the past, and the world's peace-loving people check in time the reckless attempt of the Japanese authorities to become a nuclear power and military power, a grave situation might be caused in which peace and security not only of Northeast Asia but also of the rest of the world would face a great nuclear threat of Japan.

The peoples of Asia and the rest of the world who value justice and peace should make joint efforts to check and frustrate Japan's design for nuclear arming with a due precaution against it.

Daily: 'Murderers' Awarded Commendation in South

*SK0208054493 Pyongyang KCNA in English 0506
GMT 2 Aug 93*

["Murderers Protected"—KCNA headline]

[Text] Pyongyang, August 2 (KCNA)—NODONG SINMUN today comments on the fact that murderers who killed many defenceless people have been awarded "commendations" and live a life without shame on a large sum of "pensions" in South Korea.

The news analyst says:

It has recently been brought to light that the traitor Chon Tu-hwan was awarded "order of military exploits" in 1980 for his "contribution" to the "Chungjong operation (the May 17 fascist action and the operation for putting down the Kwangju popular uprising)" and to the "preservation of security and social stability" and many other military dictory who played the key role in the Kwangju massacre including So Chun-yol, the then puppet combat education commander, were "decorated".

Chon Tu-hwan is a rare butcher of fellow countrymen, fascist murderer and traitor to the nation, who killed in cold blood thousands of Kwangju citizens when they rose up for democracy.

This fascist murderer received a glittering order and became "president." Is there any more crying of injustice than this?

The problem is that Chon Tu-hwan who should have been hacked to pieces a hundred times as a human butcher is protected by the present "government" advocating "civilian politics."

This shows that the "investigation into the truth of the Kwangju incident" and "eradication of injustices without sanctuary" advertised by the chief executive of South Korea are all a lie and that the present "government," though advertising "civilian politics," is a fascist "regime" succeeding the "fifth and sixth republics." The people hit the nail on the head when they branded the chief executive of South Korea as a "civilian fascist".

SKNDF Urges South To Struggle for Labor Rights

*SK3107055893 Pyongyang KCNA in English 0514
GMT 31 Jul 93*

[Text] Pyongyang, July 31 (KCNA)—The Central Committee of the South Korean National Democratic Front [SKNDF] (Hanminjon) in a manifesto titled "Road of South Korean Labour Movement" published on July 21

called upon the working masses to turn out more undauntedly in the struggle to win their vital rights, according to radio Voice of National Salvation.

A breakthrough in the struggle to invigorate the labour movement can be made by expanding the on-going struggle to win the vital rights and leading it to a high tide, the manifesto says, and continues:

The working masses must never harbour any illusion about the "civilian politics" advertised by Kim Yong-sam but raise fundamental demands for the democratisation such as the abrogation of the "National Security Law", dissolution of the "Security Planning Board", the release and reinstatement of all the prisoners of conscience and enforcement of true democratic reforms and lead their struggle to an upswing to establish a truly independent democratic regime which would guarantee the rights of the working masses.

They must develop the struggle for the vital rights and democratic civil rights to an anti-American struggle against the market opening pressure of the U.S. and the share of the costs of the maintenance of the U.S. troops and the U.S. interference in the internal affairs of South Korea and for the withdrawal of the U.S. troops and nuclear weapons.

They must certainly achieve reunification in the 1990s by valiantly fighting for an early implementation of the 10-point programme of the great unity of the whole nation, the great charter of national reunification, for multilateral exchange and collaboration between the workers of the North and the South, final stop to the "Team Spirit" manoeuvres and the building of a reunified confederal state.

The guiding idea of the labour movement in South Korea must be the *chuche* idea, the manifesto says, and stresses that the 10 million working people must bring a fierce storm of struggle, upholding the banner of this idea.

North Reunification Group Supports Talks Proposal

SK0208052593 Pyongyang KCNA in English 0512 GMT 2 Aug 93

[Text] Pyongyang, August 2 (KCNA)—The presidium of the Central Committee of the North side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) held a meeting on July 31 and expressed full support to the proposal of the South side's officials concerned of Pomminnyon to have tripartite working-level talks. And it decided to send three delegates to the tripartite working-level talks due to be held between officials concerned of the North, South and overseas sides of Pomminnyon in Seoul on August 6.

This fact was made known in a statement published by a spokesman of the North side headquarters of Pomminnyon on August 1.

Officials concerned of the South side of Pomminnyon held a meeting for promoting the Pan-National Rally (PNR) on July 30, at which they selected the Rev. Mun Ik-hwan, chairman of the preparatory committee for the formation of the South side headquarters of Pomminnyon, as chairman of the PNR and proposed to have tripartite working-level talks attended by delegates of the North, South and overseas sides in Seoul on August 6 for a successful holding of the fourth PNR.

"We consider it a timely and just initiative indeed that the pro-reunification patriotic force of South Korea proposed tripartite working-level talks of the North, South and overseas sides, reflecting the will to grandly hold the 4th PNR in Seoul," said the spokesman in the statement.

"Since the present South Korean rulers have claimed 'civilian politics'," he went on, "there is no reason for them in any case to block pan-national reunification festival functions for peace and reunification of the country at the point of the bayonet like under the military dictatorship of the 'sixth republic'."

Noting that the North side headquarters of Pomminnyon would send three delegates to Seoul through Panmunjom on August 5 to attend tripartite working-level talks, the spokesman formally requested the South side to promptly take an appropriate measure to guarantee their personal safety.

PRC Group Lays Wreaths at Friendship Tower

SK3007122193 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 27 Jul 93

[Text] A PRC Party and government delegation with Hu Jintao, member of the Standing Committee of the Political Bureau and member of the Secretariat of the Communist Party of China (CPC) Central Committee, as its head and Chi Haotian, member of the CPC Central Committee, state councillor and minister of National Defense, as its deputy head laid wreaths at Mt. Taesong Revolutionary Martyrs Cemetery and before the Friendship Tower on 26 July. The delegation came to our country to attend a ceremony of the 40th anniversary of the great victory in the fatherland liberation war.

The Korean People's Army (KPA) honor guards were lined up in front of the cemetery and the Friendship Tower.

Present at the wreath-laying ceremony were Comrade Choe Tae-pok, alternate member of the Political Bureau and secretary of the Workers' Party of Korea (WPK) Central Committee; Kim Pong-yul, the KPA vice marshal; Kim Yang-kon, deputy director of a department of the WPK Central Committee; and Chu Chang-chun, our country's ambassador to the PRC.

Also present were Zheng Yi, PRC ambassador to our country, and embassy members.

The delegation laid a wreath at Mt. Taesong Revolutionary Martyrs Cemetery. The national anthems of the PRC and our country were played and then a wreath in the name of the delegation was laid amid the playing of the wreath-laying music.

The participants observed a moment's silence in memory of the anti-Japanese revolutionary martyrs who devoted their lives for the lofty cause of the liberation of the country and the freedom and happiness of the people.

The participants looked round the revolutionary martyrs cemetery.

After that, the delegation laid a wreath before the Friendship Tower. The national anthems of the PRC and our country were played and then a wreath in the name of the delegation was laid amid the playing of the wreath-laying music.

The participants observed a moment's silence in memory of the martyrs of the Chinese People's Volunteers who fell while heroically fighting in the Korean war.

The participants toured the Friendship Tower grounds.

CPC Cadre Delegation Departs Pyongyang 29 Jul

SK0108043393 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 29 Jul 93

[Text] A delegation of cadres of the CPC led by Shu Huaide, secretary general of the Political Science and Law Central Committee of the CPC, left for home by train on 29 July.

The delegation was seen off at the Pyongyang Railway Station by Kim Yang-kon, deputy director of a department of the Workers' Party of Korea, other functionaries concerned, and a counselor of the PRC Embassy in our country.

PRC Military Attache Hosts Party on Anniversary

SK0108091493 Pyongyang KCNA in English 0814 GMT 1 Aug 93

[Text] Pyongyang, August 1 (KCNA)—Yin Guangtao, military attache of the Chinese embassy here, hosted a cocktail party at the embassy Saturday evening on the occasion of the 66th founding anniversary of the Chinese People's Liberation Army.

Invited to the party were Vice Marshal of the Korean People's Army Kim Kwng-chin, General Chon Chae-son and other generals and officers of the KPA and military attaches of different countries here.

Zheng Yi, Chinese ambassador to Korea, and CPV member of the Korean-Chinese side to the Military Armistice Commission, were also among those present.

Speeches were made at the party.

Social Democratic Party Head Meets Thai Group

SK3007061393 Pyongyang KCNA in English 0419 GMT 30 Jul 93

[Text] Pyongyang, July 30 (KCNA)—Kim Pyong-sik, chairman of the Central Committee of the Korean Social Democratic Party, Thursday met and had a friendly talk with a delegation of the Social Action Party of Thailand led by Khaewatthana Buntham, secretary-general of the party and minister of public health.

The secretary-general told the chairman that he was glad at the successful celebration of the 40th anniversary of the victory in the fatherland liberation war by the Korean people.

Saying that Korea would surely be reunified, he stated that the Social Action Party of Thailand would fully support the Korean people's cause of reunification in the future, too.

He expressed the hope that the friendly relations between the two parties would grow stronger and develop.

Premier Kang Meets Lao Delegation

SK3107053493 Pyongyang KCNA in English 0453 GMT 31 Jul 93

[Text] Pyongyang, July 31 (KCNA)—Kang Song-san, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and premier of the Administration Council, met and had a friendly talk with the Lao party and state delegation led by Saman Vignaket, member of the Political Bureau of the Central Committee of the Lao People's Revolutionary Party and president of the National Assembly, at the Mansudae Assembly Hall Friday.

Present there were Cho Kyu-il, vice-minister of Foreign Affairs, and Ponmek Dalaloy, Lao ambassador to Korea.

The head of the delegation said that Korea would surely be reunified as there are the policy of national reunification put forward by the great leader of the Korean people Comrade Kim Il-song and the wise guidance of the dear leader Comrade Kim Chong-il.

He expressed the belief that the friendly relations between the two parties and two governments would grow stronger and develop.

Kim Il-song Receives Cuban Politburo Group

SK3107110993 Pyongyang KCNA in English 1014 GMT 31 Jul 93

[Text] Pyongyang, July 31 (KCNA)—The great leader President Kim Il-song today received the Cuban party and government military delegation led by Jorge Lescano Perez, Politburo member of the Central Committee and first secretary of the Havana city Committee of the

Communist Party of Cuba, which attended the celebrations of the 40th anniversary of the war victory day.

Present on the occasion were Kang Hyon-su, chief secretary of the Pyongyang Municipal Committee of the Workers' Party of Korea, Kim Hyong-u, vice-director of a department of the WPK Central Committee, and Juan Jose Leon Vega, Cuban ambassador to Korea.

President Kim Il-song conversed with the guests in a cordial and friendly atmosphere.

Daily Denounces Israeli Attack on Lebanon

SK0108084593 Pyongyang KCNA in English 0807 GMT 1 Aug 93

[Text] Pyongyang, August 1 (KCNA)—Israel's military attack on Lebanon is an anti-peace act to intentionally create difficulties in the Mideast peace process, says NODONG SINMUN today.

The news analyst notes:

Israel has ignored the just demand of Arab nations, making unreasonable conditions and pretexts at the Middle East peace conference, and has brought difficulties to its progress.

Its military attack is a wanton encroachment upon the sovereignty of Lebanon. It is just that Lebanon has demanded the pullout of Israeli troops from Southern Lebanon.

If a country tries to solve the problem with strength when other country's just demand and action are contrary to its interests, it cannot be construed otherwise than an infringement upon sovereignty and justice.

With nothing can Israel justify its indiscriminate military offensive against peaceful people of Lebanon under the pretext of "ensuring peace and security" of northern Israel.

Israel must clearly see the trend of the time, promptly stop the military offensive against Lebanon and respect its sovereignty.

Choe Tae-pok Meets Libyan Special Envoy

SK3007235093 Pyongyang KCNA in English 1519 GMT 30 Jul 93

[Text] Pyongyang, July 30 (KCNA)—Choe Tae-pok, alternate Politburo member and secretary of the Central Committee of the Workers' Party of Korea, met and had a friendly talk with Bashir Salih al-Bashir, secretary for foreign relations of the General People's Congress, now on a visit to Korea as a special envoy of the leader of the great September first revolution of the great Socialist People's Libyan Arab Jamahiriya.

The special envoy asked him to convey warm congratulations and wishes of longevity from Colonel Mu'ammar

al-Qadhdhafi, leader of the great September first revolution of the great Socialist People's Libyan Arab Jamahiriya, to the great His Excellency Kim Il-song, president of the Democratic People's Republic of Korea, on the occasion of the 40th anniversary of the Korean people's victory in the Fatherland Liberation War.

He said the great successes made by the Korean people are those of the Libyan people.

Vice President Meets With Palestinian Envoy

SK3107000793 Pyongyang KCNA in English 1520 GMT 30 Jul 93

[Text] Pyongyang, July 30 (KCNA)—Vice-president Pak Song-chol met and conversed with Palestinian Ambassador to Korea Ibrahim Muhammad [Mustafa] when the latter paid a farewell call on him at the Mansudae Assembly hall today.

Vice-minister of Foreign Affairs Cho Song-pom was on hand.

Meets Namibian, Tanzanian Envoys

SK3107053393 Pyongyang KCNA in English 0449 GMT 31 Jul 93

[Text] Pyongyang, July 31 (KCNA)—Vice-President Pak Song-chol met the Tanzanian Government delegation led by Deputy Prime Minister Augustine Lyatonga Mrema at the Mansudae Assembly Hall Friday.

The Tanzanian Deputy Prime Minister asked him to convey greetings of Former Tanzanian President His Excellency Julius K. Nyerere and His Excellency President Ali Hassan Mwinyi to respected Comrade Kim Il-song and dear Comrade Kim Chong-il on the occasion of the 40th anniversary of the victory of the Korean people in the fatherland liberation war.

He said through the current visit to Korea he deeply felt that the Korean people could win victory in the war and successfully build such socialism centred on the masses as today as they are wisely led by respected Comrade Kim Il-song and dear Comrade Kim Chong-il.

Vice-President Pak Song-chol met Hifikepunye Pohamba, minister of Home Affairs and a special envoy of the Namibian president, and his party on the same day.

The special envoy asked Pak to convey warm greetings of Namibian President His Excellency Sam Nujoma to respected His Excellency President Kim Il-song and dear His Excellency Kim Chong-il on the 40th anniversary of the victory in the fatherland liberation war.

Saying he was deeply impressed while seeing at first hand how the Korean people had applied the great *chuche* idea to the revolution and construction, he noted that the grand west sea barrage showed the vitality of the *chuche* idea.

"The Namibian party, Government and people warmly support the just cause of the Korean people for the reunification of the country," he declared.

Kim Yong-nam Meets Palestinian Envoy

SK3007064093 Pyongyang KCNA in English 0415 GMT 30 Jul 93

[Text] Pyongyang, July 30 (KCNA)—Vice Premier and Foreign Minister Kim Yong-nam Thursday met and had a friendly talk with Paul Munyembari, councillor in charge of the National Assembly and foreign affairs of the presidency and a special envoy of the Burundian president.

He met and chatted with Palestinian ambassador to Korea Ibrahim Muhammad when the latter paid a farewell call on him on the same day.

Victory Parade Shows Reverence for Leader

SK3107054893 Pyongyang KCNA in English 0459 GMT 31 Jul 93

[**"NODONG SINMUN Calls for Continued Advance"**—KCNA headline]

[Text] Pyongyang, July 31 (KCNA)—The celebrations of the 40th anniversary of the victory in the great fatherland liberation war were a great revolutionary event which powerfully demonstrated to the world the heroic stamina and indomitable will of our party and people and the might of the singlehearted unity of our revolutionary ranks.

NODONG SINMUN in an editorial today says the military parade, the civilian demonstration one million strong, the evening and other functions celebrating the 40th war victory day clearly showed how ardently our people revere and follow the respected leader Comrade Kim Il-song and how strong the will of our people and revolutionary Armed Forces is to walk the long path of revolution to the end following the lead of the dear leader Comrade Kim Chong-il.

The editorial says:

Our people and army through the significant celebrations of the 40th war victory day clearly showed once again that our will and resolution to firmly defend the dignity and honor of the country and invariably uphold the revolutionary banner of socialism in any adversity are not an empty talk.

Our people and people's army soldiers through the functions deepened their belief that no enemy can dare provoke them as long as they have the experienced and tested leadership of the dear leader Comrade Kim Chong-il and the powerful driving force of the revolution consolidated through a grim revolutionary struggle.

To advance, advance, struggle and advance in the spirit and stamina with which we glorified the 40th war victory day in hearty response to the the calls of the party

Central Committee is the true way for us to win victory after victory in the struggle for socialism and consolidate our socialist bulwark.

The entire party members and other working people must defend the singlehearted unity of the party and the people displayed in the celebrations of the 40th war victory day as the apple of the eye and strengthen the driving force of socialism closely rallied around the party and the leader in the course of today's general March.

Paper Stresses Unity for Reunification

SK0208112393 Pyongyang Korean Central Broadcasting Network in Korean 0016 GMT 1 Aug 93

[NODONG SINMUN 1 August special article: "Let Us Expedite the Reunification of the Country With Great Unity of the Nation"]

[Text] Two years have passed since the great leader Comrade Kim Il-song delivered the historic speech "Let Us Achieve the Great Unity of Our Nation" to the responsible functionaries of the Committee for the Peaceful Reunification of the Fatherland and the members of the North side headquarters of the National Alliance for the Country's Reunification. All the Korean compatriots in the North, the South, and overseas, greeting this anniversary, are renewing their firm resolve to achieve the country's reunification without fail with the united strength of the entire nation.

The great leader's historic work "Let Us Achieve the Great Unity of Our Nation" is a programmatic work which sets forth the outstanding policy on achieving the historical cause of the country's reunification with the united strength of the chuche-oriented national force. It is also an encouraging banner which gives the entire nation the faith and hope for reunification.

The great leader Comrade Kim Il-song has taught: The most important thing in realizing the cause of the country's reunification is to achieve the great unity of our nation.

In the work, the great leader stated anew, based on his clarification of the relationship between great national unity and the country's reunification, that the great national unity is the fundamental precondition for and the essential factor of the independent and peaceful reunification of the country. At the same time, he put forth details of the tasks and the methods for the great national unity.

The great leader said that the national problem is essentially a problem of defending and realizing the nation's independence, adding that all the Korean nation should unite firmly and realize the country's reunification based on the love for the country and the spirit of national independence under the banner of great national unity.

The great leader said that if all the nation achieves harmony and unites firmly following the tradition and experience of national harmony we achieved in realizing

the cause of national independence, as we did in the anti-Japanese armed struggle and in the struggle to build new society after the liberation, it is the very reunification of the country that we desire. He added that we advocate the country's reunification formula by means of a confederal system based on one nation, one state, two systems, and two governments in order to realize national harmony and reunification.

The great leader put forth the tasks to realize great national unity, such as the problem of making it the fundamental principle to subordinate all efforts to the cause of the country's reunification, the problem of increasing the contacts and travels among the North, the South, and overseas and actively developing dialogue, and the problem of intensifying pannational solidarity and achieving organized alliance in the struggle of the country's reunification.

The great leader's work was a programmatic work which set forth ways for the compatriots of all strata in the North, the South, and overseas to firmly unite transcending the differences in ideology, system, and religion. It inflicted a great blow to the splittists, within and without, who were seeking the perpetual division of the country by stirring up distrust and confrontation within the nation.

Truly, the ideology and line concerning great national unity put forth in the work is a great program for national unity and reunification which can be put forth only by the great leader who has been devoting all his life to give our nation the gift of reunification with his boundlessly great broad-minded magnanimity of love for the people and the nation.

The great leader last April made a comprehensive compilation of his patriotic and nation-loving ideology and line of great national unity and personally worked out and published the 10-point program of the great unity of the whole nation for the country's reunification. The 10-point program of the great unity of the whole nation for the country's reunification comprehensively elucidates the national common objective and ideal for great national unity, and the principles and methods of the great unity.

The 10-point program of the great unity of the whole nation is the great charter of national unity which set forth the most precise way to achieve the country's peace and reunification with the independent might of the nation, overcoming the grave crisis of our people [uri-inmin ape chosongdoen omhokhan nanguk]. It is a great political program which enables the nation to put an end to the distrust and confrontation within the nation and achieve broad unity of the entire nation.

Our party and the government of our republic have made all the sincere efforts to realize the policy and line of great national unity put forth by the great leader. Not long ago, from the position of national independence, we made a momentous proposal to exchange special envoys between the North and the South out of the desire to

solve the important problems of the nation, including the denuclearization of the Korean peninsula, by meeting face to face between the fellow countrymen. But all our sincerity and efforts to realize the country's peace and peaceful reunification based on great national unity have failed to bring forth proper fruition because of the maneuvers of the splittists within and without.

It is a known fact that the South Korean ruling bunches in the past have pursued division and confrontation, desperately blocking national reconciliation, unity, and reunification, following foreign forces. This antinational, antireunification criminal act is still continuing today under the present regime which claims to be a so-called regime of civilian democracy.

The South Korean authorities are trampling upon the basic spirit of the North-South agreement which embodies the three principles of national reunification, aggravating North-South confrontation and tension, and laying even graver obstacles to reunification. Raving about the fictitious North's nuclear threat, they are acting as a shock brigade for the nuclear commotions of the international reactionary forces plotting to strangle [apsal] us.

They responded to our proposal for the exchange of special envoys aimed at resolving the important issues of the nation meeting face to face between the fellow countrymen by conducting the provocative Ulchi-93 war rehearsal. They are not hesitating to commit the traitorous acts of begging sanctions on us, bustling about the international arena, and begging their U.S. masters for the perpetual occupation of South Korea by its troops and for the nuclear umbrella protection. They are openly stating that they cannot abolish the National Security Law which defines the fellow countrymen as an enemy out of the concept of confrontation peculiar to the Cold War era. They are suppressing the people of various strata who advocate contact, dialogue, and reunification with the North, as witnessed in their blockage of the 12 June North-South students' talks with bayonets. This is a clear proof that they do not have the will to solve the problem of peace and reunification of the country through unity with us.

Far from tolerable is the act of the South Korean authorities reversing the North-South relations to the starting point of confrontation before the adoption of the North-South agreement and laying even greater obstacles to peaceful reunification.

Dependence on foreign forces is a way to flunkeyism and the destruction of the country. National independence is the only way to national survival and mutual prosperity of the North and the South. The South Korean rulers should discard the nation-destroying idea of depending upon foreign forces but return to the position of national independence, and join the national trend heading for reunification in the nineties. Reunifying the country, putting an end to the history of division and confrontation which has lasted nearly half a century, is the

consistent demand of the entire nation and an unstoppable trend. To achieve the country's independent and peaceful reunification, we should achieve the great national unity without fail. For this, all the Korean compatriots who are concerned about the national destiny should first unite firmly as one nation, transcending the differences in ideology and system, and open together the way to the country's reunification.

We should increase the frequency of the contacts and travels and actively develop dialogue between the North and the South. All the political parties, organizations, and compatriots of various strata of the North, the South, and overseas should support and cooperate in solidarity with each other and expand and strengthen the National Alliance for Reunification. As an immediate task, they should wage a vigorous struggle in all directions to hold the fourth 15 August pan-national rally and the grand reunification festival of the compatriots and students of the North, the South, and overseas.

It is the invariable will of our nation to achieve the country's reunification with the united strength of the entire nation. We should continue to uphold the 10-point program of the great unity of the whole nation put forth by the great leader and wage a vigorous struggle to realize reunification with the great national unity.

We are assured of the realization of the country's reunification because we have the wise leadership of the great leader Comrade Kim Il-song, the sun of the nation and the lodestar of the country's reunification, and the dear leader Comrade Kim Chong-il and because we have the 70 million people who yearn for reunification. All the Korean compatriots in the North, the South, and overseas should wage a vigorous struggle with a firm confidence under the banner of the great national unity so that they can expedite the country's reunification without fail.

Kim Il-song Views Korean Revolution Museum

SK3007044193 Pyongyang KCNA in English 0402 GMT 30 Jul 93

[Text] Pyongyang, July 30 (KCNA)—The great leader President Kim Il-song went round the Korean Revolution Museum Thursday.

He was accompanied by Kang Sok-sung, director of the Party History Institute of the Central Committee of the Workers' Party of Korea, and other officials concerned.

Many new revolutionary historical mementoes, relics and materials have been added to the exhibits of the museum, a grand seat for ideological education of the party, further enriching the revolutionary traditions of chuche.

Seeing round the revolutionary historical mementoes, relics and materials on display in the museum, President Kim Il-song noted with deep satisfaction that the officials of the museum had arranged the museum well and

were doing an effective work of giving revolutionary education to the party members and working people. And he highly estimated their success.

He said the Korean Revolution Museum was playing a very important role in firmly equipping all the party members and working people with the glorious revolutionary traditions of the party, and gave highly important teachings which would serve as a guideline in further strengthening education through the revolution museum.

He had a souvenir picture taken with the officials of the museum.

So Yun-sok Attends Coal Mine Operation Ceremony

SK3007113793 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 26 Jul 93

[Excerpt] The construction of Hwapung mine at the Anju Mining Complex has been finished and it has begun operations. The Anju Mining Complex, an important coal production base of our country, can collect quality coal. It can more smoothly meet the national demand for coal, food for industries.

An inauguration ceremony marking the beginning of operations was held at Hwapung mine today. Comrade So Yun-sok, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and responsible secretary of the South Pyongan Provincial Party as well as chairman of the province's People's Committee; Kim I-yong, minister of coal industry; other functionaries concerned; employees at the mine; builders; and three revolutions team members participated in the ceremony.

At the ceremony, Comrade So Yun-sok delivered a congratulatory message from the WPK Central Committee to workers, technicians, clerks, soldiers, and three revolutions team members, who accomplished much in building Hwapung mine. [passage omitted]

KCNA Reviews 2 Aug NODONG SINMUN

SK0208103993 Pyongyang KCNA in English 1011 GMT 2 Aug 93

[Text] Pyongyang, August 2 (KCNA)—NODONG SINMUN today carries a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Jamaican Prime Minister P.J. Patterson on the occasion of the 31st anniversary of the independence of Jamaica.

The daily reports that the great leader President Kim Il-song sent thanks to the officials and performers who took part in the evening celebrating the 40th anniversary of the war victory.

Edited in the daily are messages of greetings to Comrade Kim Il-song, general secretary of the Central Committee

of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, sent by foreign party and state leaders in congratulation of the 40th anniversary of the victory of the Korean people in the great fatherland liberation war.

The daily reports that President Kim Il-song received a message of thanks from the minister of culture and sports affairs of the Ethiopian transitional government, upon his departure after participating in the celebrations of the 40th anniversary of the war victory.

President Kim Il-song and Comrade Kim Chong-il received congratulatory letters and messages from overseas Koreans' organisations on the occasion of the 40th anniversary of the war victory, says the daily.

The daily carries news that President Kim Il-song's reminiscences "with the century" was introduced by foreign papers.

Conveyed in the daily is news that classical works of the dear leader Comrade Kim Chong-il were published and reported in different countries.

It is reported in the daily that the Pyongyang declaration "Let us defend and advance the socialist cause" was signed by 190 political parties of the world.

The daily comes out with an article saying that our party's idea and theory on fundamentally improving and strengthening the party work and stepping up the modelling of the whole society on the chuche idea are showing great vitality.

The daily conveys news that the working people in different domains of the national economy are all out in the campaign to create "general onward speed of our-style socialism" in the same spirit as they glorified the 40th anniversary of the war victory.

Carried in the daily are answers of a spokesman for the DPRK foreign ministry to questions put by KCNA over the utterances of the Japanese foreign minister taking issue with us once again as regards the fictitious "nuclear development".

The daily prints a story issued to the press by spokesman for the North side's headquarters of Pomminnyon supporting the proposal raised by the South side's officials concerned of Pomminnyon to hold tripartite working-level talks involving delegates from the North, the South and overseas in Seoul for a successful holding of the fourth pan-national rally.

The daily runs a commentary on the revelation of the award of "orders" to Chon Tu-hwan and other military dictators in the period of the "Fifth Republic" who took the lead in the Kwangju massacre in May 1980.

It carries "'May 16 coup' which produced military fascist rule", the first instalment of an article exposing the criminal truth behind the fabrication and extension of the military dictatorial "regimes" in South Korea.

Given in the daily is an account of celebrations of the 40th anniversary of the victory of the Korean people in the war in different countries. Rounded up in the daily are voices of foreigners praising the Korean People's Army as an invincible revolutionary Armed Forces creditably defending the socialist bulwark.

The daily comes out with a commentary headlined "sincere efforts of each are needed" on great repercussions of the results of the second round of the DPRK-U.S. talks.

The daily reports that the chairman of the PLO executive committee expressed determination to repulse Israeli troops, the Malaysian prime minister supported the struggle of the Palestinians and the Mozambican president called for strengthening national unity.

The daily introduces Jamaica.

It carries an article on a more acute dispute in Bosnia-Herzegovina.

Reviews 31 Jul NODONG SINMUN

SK3107054993 *Pyongyang KCNA in English* 0509
GMT 31 Jul 93

[Press review]

[Text] Pyongyang, July 31 (KCNA)—NODONG SINMUN today reports that the great leader President Kim Il-song received silk banners from the Peruvian national association for the study of the chuche idea and the Peru-Korea Institute of Culture and Friendship.

The paper carries news that the Venezuelan paper EL MUNDO introduced the reminiscences of the great leader President Kim Il-song "With the Century" and the Russian paper VETSERAB carried the work of the dear leader Comrade Kim Chong-il "On the Chuche Idea".

Appearing in papers are a message of greetings to Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, from foreign heads of party and state on the occasion of the 40th anniversary of the Korean people's victory in the fatherland liberation war.

According to NODONG SINMUN, President Kim Il-song received a message and a letter of thanks from the vice-president of Zambia and the head of Syrian delegation who participated in the celebrations of the 40th war victory anniversary and Comrade Kim Chong-il received a message of thanks from the head of the Syrian delegation.

An article of the paper deals with the leap made in the construction of Pyongyang over the last one year under the wise leadership of Comrade Kim Chong-il.

The paper carries an editorial calling for a continued vigorous advance in the spirit displayed in glorifying the 40th war victory anniversary as a grand festival of victors and news that working people across the country

are maintaining the upsurge in production to create "the speed of general march of our style socialism".

Minister of People's Armed Forces O Chin-u met vice-minister of Revolutionary Armed Forces of Cuba and Premier Kang Song-san met the LAO Party and state delegation, papers say.

NODONG SINMUN publishes joint statements between the Workers' Party of Korea and the Communist Party of Denmark (Marxist-Leninist) and between the WPK and the Communist Party of Colombia, which were adopted in Pyongyang.

Ratification instruments of consular agreement between the DPRK and Laos were exchanged in Pyongyang, reports the paper.

The paper gives accounts of functions held in different countries on the occasion of the 40th anniversary of the Korean people's victory in the fatherland liberation war.

According to the press, the Central Committee of the South Korean National Democratic Front (Hanminjon) published a manifesto titled "the road of the South Korean labour movement".

NODONG SINMUN comes out with a commentary exposing corruption scandals in the puppet army of South Korea.

Papers report that Fidel Castro made a speech at a meeting commemorating the 40th anniversary of attack on the Moncada barracks and a national meeting was held in Pyongyang to mark the anniversary.

Carried in NODONG SINMUN is the gist of a statement for the sovereignty and peace of Korea published by the Central Committee of the Communist Party of Argentina to denounce the rude utterances of the U.S. President against the DPRK.

In its monthly review of the international situation the paper says that the just cause of the people is supported and the dominationist ambition of the old reactionary forces is denounced.

South Korea

DPRK Said To Reject Russian Port Call Requests

SK3107124593 Seoul CHUNGANG ILBO in Korean
31 Jul 93 p 2

[Text] A recent government report pointed out that Russia and North Korea mutually restricted the activities of their respective diplomats and thus the relations between the two countries have fallen into the worst status [choeagui sangtae]. Recent analysis by government authorities indicates that North Korea refused Russia's proposal that Russian naval ships make a friendship call on Wonsan and in turn, that North Korean naval ships visit Russia. The analysis noted that such refusal is very exceptional.

When Russian President Yeltsin visited the ROK last November, defense ministers of the two countries signed a memorandum on military exchanges between the two countries and according to this, Russia is planning to have its naval ships make a goodwill visit to the ROK in late August this year. Thus, a sharp contrast has been revealed in Russia's relations with North Korea and with the ROK. The relevant government official said that the aggravation of Russia-North Korea relations was prompted by the reduction not only of their ideological ties but also in economic relations and moreover, by the Russian Government's support of the ROK's position pertaining to the recent North Korean nuclear issue.

DPRK Ship Caught Smuggling Cars From Hong Kong

SK0108064093 Seoul SEOUL SINMUN in Korean
1 Aug 93 p 2

[YONHAP report from Beijing]

[Text] On 14 July, the 2,226-ton-North Korean cargo ship Komalsan was forcibly towed away on the high seas of the South China Sea after being fired at by the Chinese coastal patrol ship. It was learned on 31 July that this ship was carrying some 20 used Mercedes-Benz automobiles smuggled from Hong Kong.

A well-informed Chinese source said: "The North Korean cargo ship, Komalsan, carrying the smuggled automobiles left Hong Kong for Nampo at dawn on 14 July without even hoisting the North Korean flag. In this process, the ship was discovered by the patrol ship affiliated to the Public Security Bureau of Guangdong Province which was patrolling the high seas around the 15km area southeast of (Henggwan) Island, but when the ship was ordered to stop it did not respond, thus the ship was fired at."

This source also said: "At that time, 36 North Korean crewmen were on the ship, and the Public Security Bureau of the Guangdong Province forcibly towed the ship to Shantou Port to be inspected. It was freed on 15 July."

U.S. Expected To Provide Arms Purchase Data

SK0208105493 Seoul YONHAP in English 1026 GMT
2 Aug 93

[Text] Seoul, Aug. 2 (YONHAP)—The Board of Audit and Inspection (BAI) plans to wind up its probe into the controversial Yulgok arms purchase project around the middle of this month. The BAI expects that the United States would by that time furnish materials it asked in connection with the previous administration's selection of F-16's as the next-generation fighter planes (KFP). "Even if the United States fails to provide the asked-for items by then, we will anyway conclude the case toward the close of next week," said an official, adding, "we cannot wait for the items indefinitely."

The official said his board would decide whether to question former President No Tae-u over the Yulgok KFP case after the requested items either arrive from the U.S. or would be given up as unattainable. "So far, we have decided none over whether to question the former president," he said.

Seoul, U.S. To Discuss Nuclear Technology Transfer

SK3107051893 Seoul YONHAP in English 0504 GMT 31 Jul 93

[Text] Seoul, July 31 (YONHAP)—South Korea and the United States are to begin consultations, perhaps as early as next week, on the North Korean nuclear problem, with the transfer of nuclear technology one of the key issues, officials said Saturday. Chang Chae-yong, director-general of the Foreign Ministry's American Affairs Bureau, is expected to go to Washington for the working-level talks. Assistant minister-level negotiations are scheduled for soon afterward.

A well-informed official said that future Seoul-Washington talks would have to deal with North Korean demands for aid in modernizing their nuclear reactors, determining just how far the United States can go in promising the aid and when the aid can actually begin. Washington said after high-level nuclear talks in Geneva earlier this month that it was willing to help North Korea to build light water reactors to replace its aged, unsafe graphite-moderated reactors.

"The United States believes more that North Korea's demand is sincere than that it is just another delaying tactic," he said. "Seoul believes we should not forget that there is ample possibility of the latter." "Seoul and Washington will need to look more closely into North Korea's motives and reaffirm our initial positions that no technology goes to Pyongyang before the nuclear situation is resolved," he said.

Light water reactors are safer and require more regular changes of nuclear fuel, making them easier to check for plutonium production and other nuclear activities. One light water reactor is said to cost at least 2 billion U.S. dollars to build. The two sides plan to follow up with assistant minister-level talks after watching progress of North Korean negotiations with the International Atomic Energy Agency on resuming nuclear inspections.

DPRK, IAEA To Hold Negotiations on Inspections

SK0108225693 Seoul KBS-1 Radio Network in Korean 2200 GMT 1 Aug 93

[Text] It was learned that North Korea will hold negotiations with the International Atomic Energy Agency [IAEA] sometime this week. This is a critical point that North Korea must get through if it is to hold three-stage talks with the United States.

In this connection, a government official said that North Korea is hinting at strongly rejecting special inspection. Therefore, it is necessary to hold negotiations on ways to bring about practical effectiveness of a special inspection by changing its name or form. He revealed that it seems that negotiations between the DPRK and the IAEA regarding this matter will begin on a full-scale sometime this week.

It seems that the IAEA ad hoc inspection [imsi sachal] on North Korea which had been suspended since January will resume sometime this week. Originally, the IAEA had planned to resume ad hoc inspection of North Korea last month, but North Korea had been delaying the ad hoc inspection because of their celebrations on the anniversary of the victory of the war which took place on 27 July.

Seoul Prepares for IAEA-DPRK Talks

SK0108030593 Seoul KBS-1 Radio Network in Korean 0200 GMT 1 Aug 93

[Text] The government believes that the International Atomic Energy Agency [IAEA] and North Korea will hold full-dress negotiations beginning this week to discuss the inspection of North Korea's nuclear facilities. Therefore, the government is working to take measures regarding this matter.

In this connection, a government official revealed that considering the attitude North Korea has had up until now, it seems that an ad hoc inspection [imsi sachal] will be resumed soon in North Korea. He also said that an inspection on Yongbyon's unreported facilities is necessary without fail to eliminate suspicions on North Korea's nuclear issue. Therefore, the government is holding discussions with related countries so that the inspection is conducted as soon as possible.

Stemming from the fact that South-North dialogue must be resumed before 15 August, a common holiday in the South and North, this official said that the government is examining the possibility of proposing to the North the resumption of the Joint Nuclear Control Committee meeting if North Korea does not propose it. It was learned that the government plans to hold a reunification-related high-level strategy meeting sometime this week to provide an overall measure to resolve North Korea's nuclear issue.

Seoul To Lift Visit Ban After DPRK Inspections

SK3107030193 Seoul YONHAP in English 0208 GMT 31 Jul 93

[Text] Tokyo, July 31 (YONHAP)—South Korean Deputy Prime Minister Han Wan-sang has said that the Seoul government would lift a ban on visits to North Korea by South Korean businessmen when Pyongyang accepted inspections by the International Atomic Energy Agency (IAEA) of its suspected nuclear facilities. "But it is important that suspicion about North Korea's nuclear arms development should be resolved by the time an

IAEA Board of Governors meeting opens in late September," Han told the ASAHI SHIMBUN newspaper of Japan in an interview published Saturday.

President Kim Yong-sam hoped to realize a "Korean Commonwealth" with North Korea before he left office, said Han, who is also unification minister. The high-level talks between the United States and North Korea in Geneva had paved the way for North Korea to return to the Nuclear Nonproliferation Treaty [NPT], allow further IAEA inspections and accept simultaneous South-North nuclear inspections, he said.

South Korea and the United States had agreed that the deadline for the resolution of North Korea's nuclear issue should be when the IAEA board of governors meets on around Sep. 22, he told the ASAHI.

With regard to the issue of IAEA impartiality raised by North Korea, Han said that if the IAEA accepted North Korea's stand and asked South Korea to allow IAEA inspections of its facilities, Seoul would be willing to cooperate.

The IAEA had been talking with North for some time with an eye to sending a negotiating team to North Korea by the end of July, Han said.

The possibility had also been reviewed of the IAEA conducting nuclear inspections of North Korea without being bound by form and name in consideration of North Korea's position, he said.

Seoul To Propose Resumption of North-South Talks

SK0208063193 Seoul YONHAP in English 0617 GMT 2 Aug 93

[Text] Seoul, Aug. 2 (YONHAP)—North Korea and the International Atomic Energy Agency (IAEA) could resume their talks on IAEA inspections of nuclear facilities in North Korea this week, and Seoul could propose to Pyongyang a resumption of inter-Korean dialogue at around the end of the week as activities involving the North Korean nuclear issue accelerate, South Korean government sources said Monday. North Korea is expected to notify the IAEA that it is prepared to accept an ad hoc IAEA inspection. As a result, North Korea and the IAEA could resume their talks this week on problems related to both ad hoc as well as special IAEA inspections.

The IAEA-North Korean talks will experience some difficulties, however, if, as expected, North Korea demands U.S. assistance in changing its graphite nuclear reactors to light-water type as a condition for allowing IAEA special inspection of two unreported nuclear sites in the Yongbyon complex. The IAEA is willing to concede and change the name and not call the inspection "special" as long as it is allowed to take a look at the suspected nuclear sites in Yongbyon, north of Pyongyang.

One South Korean Foreign Ministry official said that the IAEA had to change the batteries in the surveillance

cameras that it installed at "reported" nuclear facilities by early August. Therefore, he said, he expected North Korea to notify the IAEA this week that it would allow a visit by an IAEA team for a temporary inspection.

In a separate development, the government will send a telegram in the name of Prime Minister Hwang In-song to Pyongyang this week proposing the resumption of South-North Korean dialogue, sources said. South Korea and the United States, meanwhile, would hold a working-level meeting in Washington next week on the North Korean nuclear issue, the officials said.

The two countries then will be joined by Japan for high-level talks to exchange their views on the developments that have taken place since the end of the U.S.-North Korean talks in Geneva, they said. Chang Chaeyong, director-general of the Foreign Ministry's American Affairs Bureau, will be dispatched to Washington for talks with U.S. Government leaders, including Winston Lord, assistant secretary of state for East Asian and Pacific Affairs.

Chang would confirm the position of the two countries that the United States would begin discussing its proposal for changing North Korea's graphite-moderated reactors to light-water-moderated reactors only after the question of IAEA inspection of the two suspected nuclear sites in North Korea was resolved, the sources said. In this connection, Chang said that the question of the reactor switch could be discussed after solution of the North Korean nuclear issue. He said he would make the South Korean government's position clear to the U.S. side that the reactor replacement could not be linked to IAEA inspection.

Kim Calls for 'Frank' Apology From Japan

OW3107124493 Tokyo NHK General Television Network in Japanese 1012 GMT 31 Jul 93

[Interview with President Kim Yong-sam by NHK Seoul correspondent Toshiyuki Sato at Chongwadae; date note given; from the "News 7" program—recorded, in Korean with Japanese translation in subtitles; translated from the Japanese]

[Text] [Kim] No matter who becomes the next prime minister of Japan, I would like to maintain personal friendship with him to discuss ROK-Japan relations from future-oriented viewpoints. Japan's political situation affects not only Asia but also the entire world. I think the basic framework of the ROK-Japan relations will remain unchanged even if a new government comes to power.

On the so-called comfort women issue, the ROK has no intention of receiving compensation from Japan. The Japanese Government is expected to clearly acknowledge its wrongdoing in the past by making an official apology. Such an attitude will strengthen Japan's ethical standpoint in Asia and in the entire world. A big problem

remaining between the ROK and Japan can be settled with a frank apology for the wrongdoing.

I assert the North is developing nuclear weapons. It appears the development project is unfinished and is still under way. As it has become a big issue in Japan, the North has successfully conducted a test launching of Nodong-1 missile, which has an effective range of 1,000 km. The nation is positively promoting arms development projects while the public's living standards are extremely poor there. The North must accept nuclear inspections by the International Atomic Energy Agency, and, on that ground, we need a confidence-building dialogue between the North and the South. Although our former governments made many concessions to realize the North-South summit, I have no intention of making a sacrifice for the objective.

Seoul, PRC To Hold Aviation Talks in Beijing

SK0108015993 Seoul THE KOREA HERALD in English 1 Aug 93 p 3

[Text] The long-delayed third aviation talks between Korea and China will take place in Beijing Aug. 16-18, a government source said yesterday. The scheduled talks come almost nine months after the two sides officially met but failed to produce an aviation pact last November. Early this year, aviation officials from the two countries met unofficially in China to narrow their differences but made no progress. This time also, the prospect of the two sides reaching an agreement is not great, according to the source.

The most formidable obstacle to a compromise concerns where to determine the air control transfer point between the two countries. China has been insisting on tentatively setting the point at 125 degrees east longitude, while Korea has been sticking to 124 degrees, the longitude officially recognized by the International Civil Aviation Organization (ICAO) as the western boundary of Korea's flight information region (FIR).

In 1988, when the two countries had no diplomatic ties, air control for special charter services for the Chinese delegation to the Seoul Olympic Games had been transferred at 124 degrees east longitude. "China now appears to be proposing Korea to sign an aviation pact first before resolving the question of an air control transfer point," the source said, adding that this stance is hard to understand.

An aviation agreement, according to him, cannot be concluded without first determining the air routes between the two countries and the drawing of air routes necessarily involves the issue of where air control will be transferred. Where to set the air control transfer point is important as it is related to the FIRs of concerned countries. A flight information region refers to the area within which a nation provides flight information to all airplanes in flight. Although not precisely a territorial sky to which a nation's sovereignty applies, an FIR is regarded as a quasi-sovereign airspace and hence, once

drawn, it is seldom readjusted. Korea's present FIR was recognized by the ICAO in 1963.

Excluding the FIR issue, the two countries are near agreement as to flight destinations and frequency, according to the source. "Korean airlines will be allowed to make three to seven flights a week to each of the four cities—Beijing, Shanghai, Guangzhou and Shen Zhen," the source said. China is also reportedly willing to accept the Korean demand that the two Korean airlines, Korean Air and Asiana Airlines, be allowed to serve certain routes simultaneously.

China has thus far been clinging to the policy of one designated airline on one route, while Korea demanded, where possible, the inauguration of dual airlines. Competition has been fierce between the two Korean airlines, even before the signing of an aviation agreement, to preempt the Seoul-Beijing route which is considered highly profitable.

To the scheduled third round of negotiations in Beijing, Seoul will dispatch an eight-member delegation, four from the Ministry of Foreign Affairs and the other four from the Ministry of Transportation, which will be led by Yu Pyong-u, director-general for Asian Affairs of the Foreign Ministry. Meanwhile, the government is also promoting the reopening of the Seoul-Taipei route which had been closed following the establishment last August of diplomatic ties between Seoul and Beijing.

Seoul and Taipei have recently signed a draft agreement on unofficial ties, thus paving the way for the resumption of air services between the two nations. "Flights on the Seoul-Taipei route will be resumed by the end of this year at the latest," the source said. Before the closing of the route September last year, Korean airlines made 20 flights (16 by Korean Air and four by Asiana Airlines) a week to Taipei, while their counterparts in Taipei flew to Seoul 15 times a week.

Reform Committee Plans To Extend PRC Visas

SK3107030493 Seoul THE KOREA TIMES in English 31 Jul 93 p 2

[All punctuation marks as published]

[Text] The Administration Reform Committee decided yesterday to propose extending the period of multiple trip visas to China to three years from the current one year, as China is emerging as one of the major trading partners of Korea. The committee also resolved to allow heads of diplomatic and consular offices in China to issue visas to Chinese businessmen if they are invited here by companies which have invested more than U.S. 100,000 dollars in China, the Federation of Korean Industries (FKI), or the Korean Federation of Small Business (KFSB).

Prof. Pak Tong-so, chairman of the committee, said, "Trading agencies and businessmen have demanded

simplification of rigorous entry and departure procedures, saying that they have posed serious obstacles to trading activities with China." At present, it takes almost five to six weeks to get visas because Korean inviters have to obtain "certificates for visa issuance" from the Immigration Bureau and send them to those invited for visa issuance."

The committee also decided to ease entry of ethnic Koreans in China when they visit their homeland on business purposes or if they are sure to leave the country within the allowed period. Ethnic Koreans' visits to Korea, which started in 1985 to promote reunion with their relatives in the country, has been limited to persons over 60 years old because of their illegal staying for employment since June last year.

PRC, ASEAN Exports Erode World Market Shares

SK0108020593 Seoul THE KOREA HERALD in English 1 Aug 93 p 8

[Text] Korea's market shares in the United States, Japan and European Community are being eroded by exports from China and member nations of the Association of Southeast Asian Nations [ASEAN]. According to a recent report by a research institute, Korean products, which peaked in competitiveness in the world market in 1988, have since lost their competitive edge. The Korea Institute for Economics and Trade [KIET] said Korea has lost ground in the field of machinery and transportation equipment to ASEAN nations and in the field of footwear and other miscellaneous goods to China.

In the case of footwear and other miscellaneous goods, the KIET said, Korea began in 1988 to be overpowered by China in markets in the United States, Japan and the European Community. Now, ASEAN nations have emerged as a strong competitor not only for Korea but also for China, the research institute said.

Of the nine machinery and transportation equipment export categories, it said, Korea has a comparative advantage in the export of cars over ASEAN nations in the markets of the 24-member Organization of Economic Cooperation and Development [OECD]. Korea has a comparative advantage in two of 11 miscellaneous export categories—apparel and musical instruments—over China in the OECD markets.

The share of miscellaneous goods in China's total exports to the OECD nations increased from 15.2 percent in 1978 to 52.8 percent in 1991, it said. The ASEAN raised the share of machinery and transportation equipment in its total exports to the OECD nations from 8 percent in 1978 to 32.1 percent in 1991, it said.

Low wages and abundant labor have helped China and ASEAN nations gain a competitive edge over Korea, it said. Wages in China were 5.6 percent of those in Korea in 1990, it said. In addition to low wages, it said, inflation and foreign exchange rates have been more

favorable in China and the ASEAN than in Korea. But Korea has an advantage over China and the ASEAN in productivity and interest rates, it said.

Seoul, Rabat Sign Waiver Agreement on Visas

SK0208021493 Seoul YONHAP in English 0121 GMT 2 Aug 93

[Text] Seoul, Aug. 2 (YONHAP)—South Korea and Morocco have signed a visa waiver agreement allowing travelers to stay up to 90 days without a visa, the Foreign Ministry announced Monday. The agreement was signed in Rabat, Morocco by Korean Ambassador Ho Ri-hun and Moroccan Vice Foreign Minister Ahmed Cherkaoui, and takes effect Sept. 1. Korea now has visa waiver agreements with 56 countries.

Kim Plans No Cabinet Reshuffle in 'Near Future'

SK0108014593 Seoul THE KOREA HERALD in English 1 Aug 93 p 2

[Text] President Kim Yong-sam has ensured that there will be no cabinet reshuffle in the near future. In an interview with a local economic daily, SEOUL KYONGJE SINMUN, Friday [30 July], Kim said that, in order to maintain consistency in his ongoing reform drive, he is not considering a cabinet reshuffle at the moment. "Reform policy is most of all in need of consistency. All cabinet members need to become experts in reform so that they can manage reliable policies," the President said. The interview was arranged on the occasion of the 33rd anniversary of the economic paper.

Responding to accusations that his reform campaign may have harmful effects on the national economy, Kim said reforms and the economy are not separable and therefore, to choose one over the other is impossible. "They are like two sides of the same coin," he said.

Kim said his drive to remove social irregularities has no deadline. "It is not the matter to be concluded at any particular point." He said owners of big businesses, business conglomerates in particular, do not have to feel uneasy about his reform campaign as the drive is not aimed at certain enterprises or groups. Kim also made it clear that he is not considering adopting a separate policy for business conglomerates only.

The President, however, admitted a necessity for specialization of each conglomerate, dispersion of ownership, and cooperative relations with small-and medium-sized enterprises. But he said he would not introduce any forceful measures to attain the goal but induce big businesses toward the goals through revision of the tax system and introduction of an equitable business environment.

Kim also said he would not employ any drastic policies to boost the economy as it is already coming out of the downturn. He further said his government would ensure free business activities through institutional reforms in finance, banking and administration. "The driving force

of economic development should derive from people's participation and creativity," he said.

The President brushed aside rumors of reorganization of the ruling Democratic Liberal Party, saying that he does not believe any artificial changes are desirable. "The party needs a self-reform process to obtain justification as the leading force in the reform drive. It should change itself and correct old practices with a firm sense of history. This process should be based on party unity," he said.

DLP, Government Relax 'Land Excess Profits Tax'

SK0108020693 Seoul THE KOREA HERALD in English 1 Aug 93 p 8

[Text] The ruling Democratic Liberal Party [DLP] and the government, yielding to loud outcries from landowners, yesterday decided to drastically relax the decrees of the so-called "land excess profits tax," relieving mostly farmers from the heavy taxation. Introduced in 1990 to curb rampant real estate speculation and rocketing property prices, the controversial tax targets owners of idle land whose prices have risen by 50 percent or more in the past three years by obliging them to pay 50 percent of price differences as taxes even though they do not sell them. This is the first year the land taxation is fully implemented.

As soon as the government sent the preliminary tax notices to about 240,000 such landowners throughout the country early this month, however, angry protests flooded the government, mostly disapproving not only the inclusion of their land in the taxable category but also the government's official land pricing criteria used as tax bases. The complaints were so loud and widespread that the ruling party, apparently concerned about possible political backlash, called for the abolition of the tax, while the government, particularly the Ministry of Finance, has stuck to it.

As a compromise, the revised decrees will extend the period in which the disgruntled landowners can file their complaints on miscalculated land prices for an additional one month, to Aug. 20. The government, after conducting on-the-spot survey, will then rectify any errors and mistakes in land pricing. Farmers, cattle breeders, forest owners and nominal possessors of their clans' land will be exempted from the tax payment for three years instead of the present one year, according to the DLP-government agreement.

Also to be exempt from the steep duties are forest land possessed by people living in such small provincial units of "up" and "myon" even before the tax was introduced and unlicensed buildings and factories that are reported to relevant ministries and paying property taxes. About 60,000 landowners, or one fourth of total eligible taxpayers, mostly those who actually are engaged in farming and forestry businesses, will likely be benefitted from loosened rules, Finance Ministry officials said.

The officials, while defending the continuous existence of the tax for combating real estate speculation, acknowledge some "methodical mistakes" in computing the prices of land and confirming each land lot's eligibility for the taxation because of what they say was manpower problem for conducting first-hand surveys. As the officials admit it, most landowners' complaints are directed at the exorbitant increase in government-posted land prices during the three years, and the taxation on "yet-to-be-realized" profits.

In 1990, the government set the official price at 50-60 percent level of market prices but they sharply raised it to "realistic" level of 80 percent last year, when the market land price actually dropped 1.3 percent on the average from 1991, property market sources said. The officials, however, said that by complementing its rules to better differentiate real property ownership and speculation, the tax should remain in place as an effective anti-speculation tool.

Pannational Rally Headquarters Inaugurated

SK3107071993 Seoul HANGYORE SINMUN in Korean 31 Jul 93 p 15

[Text] An inaugural meeting of the South headquarters for the promotion of the Fourth Pannational Rally for Peace, Independence, and Reunification of the Fatherland [Pomchubon] was held at the Suun Hall in Kyong-tong, Chongno-ku, Seoul at 1400 on 30 July. At the inaugural meeting attended by some 500 members of dissident organizations, including the National Alliance for Democracy and Reunification [Chonguk Yonhap], the participants elected Rev. Mun Ik-hwan general manager of the rally and Rev. Kang Hui-nam standing general manager of the Pomchubon. The participants also decided to hold the pan-national rally from 13 to 15 August.

The Pomchubon proposed to North Korea to hold three-way working talks of the delegates from the South, the North, and overseas on 6 August for the preparation of the pan-national rally in Seoul. In this connection the Pomchubon said, "We will closely cooperate with the authorities to hold the rally, including filing an application with the National Unification Board, for contact with the North Korean residents."

The Pomchubon stated in a letter to the people, "If the authorities do not allow the compatriots from the North and overseas to participate in the rally, we will hold rallies in several locations in order to hold the rally legally and peacefully and to prevent a conflict of attrition with the authorities." The Pomchubon decided to begin a march of pilgrimage touring the national land on 3 August, with the participants in the march divided in two teams and completing the tour of the entire country by 12 August. The Pomchubon also decided, as the schedule for the pannational rally, to hold an opening ceremony on 13 August, to celebrate the eve on 14 August, and to hold a rally to commemorate the anniversary of national liberation on 15 August.

Kukje Group To File Complaint Against Ex-Minister

SK3007061493 Seoul YONHAP in English 0527 GMT 30 Jul 93

[Text] Seoul, July 30 (YONHAP)—The "Committee for Rehabilitating Kukje Group," an organization of former officials of the now-defunct Kukje Business Group, said Friday it will file a criminal complaint against Kim Man-che for his actions as finance minister at the time of the group's dissolution by the Chon Tu-hwan government.

"Kim's remark that the ruling by the Constitution Court was wrong is tantamount to an act of defying the constitution. We want him to be punished because he led the illegal dissolution and is not repentant," a committee spokesman said.

Kim defended the government's role in dissolving the Kukje Group soon after the Constitution Court ruled such government action was unconstitutional. He insisted that the creditor bank of the group, Korea First Bank, could not keep lending money indefinitely due to scant hope for the insolvent group to normalize its operation.

Police Arrest 5 for Forming Communist Party

SK0108020293 Seoul THE KOREA HERALD in English 1 Aug 93 p 3

[Text] Police arrested five people and booked nine others yesterday on suspicions of forming an underground Communist party and trying to engineer a Communist revolution in capitalist South Korea. Song Chae-hi, 32, and others are suspected of planning to announce the "International Communist Party" in October last year while gathering at the home of Yi Song-ho, 30, in southern Seoul, the National Police Agency said.

They adopted a "manifesto of a political party of revolutionists" and printed pamphlets exhorting dissident movements in South Korea, police said. Those arrested have espoused an extreme leftist platform with the aim of creating "revolutionary cells" throughout the nation's literary, arts and other cultural circles, police said.

Army To Take Initiative in Military Reform Drive

SK0208104193 Seoul CHUNGANG ILBO in Korean 2 Aug 93 p 3

[Text] With a view to expanding the sense of sympathy with reform of the military and to confirming the status of implementation of the reform, the ROK Army is taking the initiative of reform work, including visits to major units by each staff office for guidance.

The Army Development Committee [ADC] (chairman Vice Chief of Staff Kim Hyong-son) dispatched guidance teams to 12 major commands both in front and rear areas from 27 to 30 July in order to convey six points that Army Chief of Staff Kim Tong-chin put forward with emphasis. The guidance teams gave guidance to the

issue of organizing committees for implementation of these points in subordinate units, as well as to their activities. They also collected various opinions from soldiers, in the form of questionnaires, pertaining to these issues and to the direction of future reform work.

The new six points on which emphasis is to be placed are as follows: Fair and reasonable personnel administration; substantive and positive education and training for strengthening combat readiness; qualitative enhancement of core members' living standards; improvement of Army structure to prepare for the era of North-South peaceful coexistence and reunification; improvement of maintenance and logistic support system; readjustment of regulations and systems corresponding to the era of civilian government.

The ADC intends to extensively review problems and opinions revealed during the recent guidance visits, as well as answers to the questionnaire conducted by the teams, and to work out plans of reform based on its review and analysis by subdividing them into short-term, medium-term and long-term plans. Thus, the Army is going to carry out the reform of its own accord.

In addition, the Army handed out an instruction to each unit to submit by 15 August epochal ideas and forward-looking opinions conducive to improving policies and systems in each field, as well as to improving their practical implementation.

Such reform drive undertaken by the Army has been prompted by remarks recently made by Defense Minister Kwon Yong-hae during the meeting of major military commanders, stressing that "the reform work in the military should be carried out by the military itself in the future, not under outside forces' influence." The Army's reform drive is likely to expand to the Navy and Air Force in the future, thus attracting public attention.

Defense Minister Interviewed on Military Reform

SK0108074093 Seoul CHOSON ILBO in Korean 31 Jul 93 p 5

[Interview with ROK National Defense Minister Kwon Yong-hae by chief of CHOSON ILBO's local news section Yi Sang-chol—date and place not given]

[Excerpts] [passage omitted] [Yi Sang-chol] Who drew up the framework and goal of the military reform which took place during the past five months?

[Kwon Yong-hae] The president always had a philosophy about the military and other institutions also had mid- to long-term plans on the military. As defense minister I also had some part in it. I believe it was made after synthesizing the president's guidelines, my thoughts on this matter, and the military's thoughts on reform.

[Yi] What was the president's basic philosophy on military reform?

[Kwon] It is altogether expressed in the president's address at the Military Academy commencement. His will is to turn the military to its original position. It means that he will work to make the military be faithful only to its original duty. It is not right for the military to interfere in politics but what is worse is the people who make that kind of environment or take advantage of it.

[Yi] Are you satisfied with the reform that has been taking place?

[Kwon] I was somewhat disappointed in the fact that reform was not promoted in a planned way with the military taking the initiative. I felt that military reform was being dragged along by the audit and inspection because of protruding incidents. The first personnel change of the replacement of the Army Chief of Staff was carried out from the level of the ruler, but personnel changes because of personnel irregularities in the Navy and the Air Force and the 12 December incident were unexpected from the military's position. Rather than a product of a planned reform, it seems that we were being dragged to carry out military reform. However, since this kind of development and reform must be carried out someday, we can regard this as a misfortune turning into a blessing.

[Yi] Who will be the target of military reform in the future?

[Kwon] The military should be the military. The military as well as the core cadre class should not show their private interests in politics or political affairs but be faithful only to their original duties. Through management of personnel and appointments, I will exclude those who have a political disposition from important positions. I will work to provide an objective plan where people who are faithful to their original duties and positions are selected. [passage omitted]

[Yi] Some people view that the military's morale has become demoralized because of the sudden reform.

[Kwon] It is difficult to say that the military's morale is high but it is not low either. Those subject to personnel changes up to now were mostly generals. There was hardly any influence in the lieutenant colonel and major level and below. Therefore, except for opposition because of personal interests, the military's morale has been enhanced because there is hope for promotion. [passage omitted]

[Yi] Chongwadae [presidential residence] has regarded the 12 December incident as a coup d'etat against the seniors. Was the military's opinion also reflected?

[Kwon] Since this issue started in the political circle it has nothing to do with the military or the National Defense Ministry. It was a decision made by the ruling level. It is not a matter to be discussed with the defense minister. [passage omitted]

Defense Minister Attends Ceremony for PKO Unit

SK3007100793 Seoul YONHAP in English 0900 GMT 30 Jul 93

[Text] Seoul, July 30 (YONHAP)—The main contingent of a South Korean army engineering unit that will serve in Somalia as a U.N. peacekeeping force was accorded a send-off ceremony at a gymnasium of the Armed Forces athletic unit near Songnam on Friday afternoon. Among the 1,000-odd well-wishers present at the 3 P.M. ceremony were Defense Minister Kwon Yong-hae, Foreign Minister Han Sung-chu and National Assembly Defense Committee chairman Sin Sang-u.

In a speech, Minister Kwon asked the members of Korea's first PKO force to do their best in bringing about durable peace in the African country and enhancing the national prestige abroad. Lt. Col. Chang Chong-hun, commanding officer of the PKO [peacekeeping operation] engineering unit dubbed "Sangnoksu (evergreen) unit," pledged to accomplish the mission assigned by overcoming whatever difficulties that may lie ahead.

The 192-member contingent is set to leave Seoul airport aboard a chartered Korean air plane at 10 P.M. Friday. They are expected to arrive in Mogadishu, the capital city of Somalia, at 1 P.M. Saturday Korea time. An advance team of 60 troops are already in Balad near Mogadishu, preparing for the arrival of the main contingent. The main duty of the Sangnoksu unit will be to repair a 430km main supply route from Balad to Belet Weyne near the Northern border line in the next one year.

Former Defense Ministers Indicted on Graft Charges

SK3107034693 Seoul YONHAP in English 0255 GMT 31 Jul 93

[Text] Seoul, July 31 (YONHAP)—Former Defense Ministers Yi Chong-ku and Yi Sang-hun were indicted on graft charges stemming from the Yulgok arms procurement project by the supreme public prosecutor's office on Saturday. Former Air Force Chief of Staff Han Chu-sok was indicted on the same charges by the office's Central Investigation Department.

Pak Tae-sin, a former president of a Jinro Group Firm, was indicted without physical restraint on a charge of giving 150 million won in bribes to Yi Sang-hun. The investigation department halted the prosecution of charges against Han Yong-cha, a representative of Samyang Chemical Co. now in the the United States, and placed her on the wanted list. Han, whose firm was a defense contractor, is suspected of paying 600 million won to Yi Chong-ku and 26 million won to Han Chu-sok.

Meanwhile, the prosecution summarily fined six executives of some defense contractors 1 million won each for giving bribes to Yi Sang-hun and Han Chu-sok. The six include: Cho Chung-kon, vice chairman of Korean Air; Yun Chun-hyon, an adviser to Samsung Aerospace

Industries Co.; and Chong Mong-ku, chairman of Hyundai Precision Industries Co.

Seoul Trims Current Account Deficit in 1st Half

SK3007090793 Seoul YONHAP in English 0822 GMT 30 Jul 93

[Text] Seoul, July 30 (YONHAP)—South Korea trimmed its current account deficit to 1,045.5 million U.S. dollars in January-June, less than a fourth of the 4,463.9 million dollars recorded in the same period last year, the Bank of Korea said Friday. Further improvement, however, is unlikely as the June deficit was 591.6 million dollars, compared with a surplus of 239.3 million dollars a month earlier, a Central Bank spokesman said.

The current account dipped into the red in June because the trade surplus of 240.8 million dollars a month earlier changed to a deficit of 364.6 million dollars on a free on board basis. The deficit in the invisible trade account increased to 283.8 million dollars from 93.4 million dollars, while the surplus in the transfer account dropped to 56.8 million dollars from 91.9 million dollars.

The June current account deficit was 164.6 million dollars more than the 427 million dollars a year earlier, and was the first monthly figure to be worse than the previous year's. In the first half, the trade and invisible trade deficits fell to 244.3 million dollars and 1,039.5 million dollars, respectively, from 3,240 million dollars and 1,319.2 million dollars last year. The transfer surplus rose to 238.3 million dollars from 95.3 million dollars.

The deficits in the current and trade accounts were better than BOK's prediction of 1,150 million dollars and 300 million dollars, respectively, the spokesman said. Without any particular adversaries such as labor disputes, the current account deficit was expected to be pegged at around the bank's projection of 1.8 billion dollars this year, he said.

Owing to deferred shipments of cars and containers as a result of labor disputes at Hyundai group companies, exports rose just 3.2 percent in June over a year earlier while imports soared 3.9 percent, the biggest rise since June last year. Although imports of capital dropped 5 percent, imports of materials and consumer goods grew 11.4 percent and 1.5 percent, respectively, prompting the move from a surplus to a deficit in the trade account last month.

The Central Bank predicted better exports this month because shiploads cleared by customs last month would be included in the international payments balance in July. Korea will have difficulty recovering from its current account deficit in view of the prolonged Hyundai conflict, import rise, and worsening travel account.

Meanwhile, Korea posted a surplus of 5.1 billion dollars in its long-term capital balance in the first six months due to growth in inflow of foreign funds on the stock

market. The overall capital account showed a net introduction of 3.55 billion dollars because the short-term balance lost 1.55 billion dollars on increases in settlement of short-term trade credit. Foreign exchange holdings totaled 18.92 billion dollars in June, off 240 million dollars from a month earlier.

External Debt Decreases Due to Overseas Assets

SK0208020693 Seoul YONHAP in English 0113 GMT 2 Aug 93

[Text] Seoul, Aug. 2 (YONHAP)—South Korea's external debt is growing due to the increased issuance of foreign currency bonds by banks, but its net external debt is dropping because overseas assets are soaring, the Bank of Korea said Tuesday. Korea's gross external debt was 44.17 billion U.S. dollars in May, up 160 million dollars from 44.01 billion dollars a month earlier and 1.35 billion dollars more than 42.82 billion dollars last year-end.

The long-term obligation rose 600 million dollars to 24.91 billion dollars in May from 24.31 billion dollars at the end of December, while the short-term debt, which has a maturity of less than a year, gained 75 million dollars to 19.26 billion dollars from 18.51 billion dollars. In January-April, long-term and short-term external debt soared 170 million dollars and 1.02 billion dollars, respectively, but long-term debt increased 430 million dollars in May, while the short-term liabilities grew 270 million dollars, according to the bank.

The issuance of yankee bonds worth 300 million dollars and 200 million dollars by the Korea Development Bank and Export-Import Bank of Korea, respectively, caused the increase in long-term debt in May. Short-term debt decreased in May according to a fall in short-term trade credits due to reduced import consumption and short-term loans for imports of oil. Korea's external assets were 34.01 billion dollars as of May, up 2.29 billion dollars from 31.72 billion dollars last year-end, lowering the net external debt 940 million dollars to 10.16 billion dollars from 11.1 billion dollars.

Institute Reports on Pace of Economic Recovery

SK0108020393 Seoul THE KOREA HERALD in English 1 Aug 93 p 8

[Text] The pace of the present economic recovery is much slower than the speed of past economic picking-up periods, the Lucky-Goldstar Economic Research Institute said yesterday. Since 1970, the Korean economy has experienced a recovery period five times and, without any exception, the economy showed a strong rebound in the beginning of the recovery period, said the institute affiliated with the Lucky-Goldstar Business Group. At this time, however, the economy shows no spectacular increases in the industrial production, exports and facility investment, although it is certain that the economy has entered a recovery period, it said.

Industrial production saw a slight rise of 0.7 percent from a year earlier each in the first quarter and the second quarter of the year, compared with the average 7.5 percent and 14.6 percent increases recorded in the corresponding period of the past recovery periods. Exports rose 7.5 percent in the first quarter and 5.8 percent in the second quarter this year, against the average 13.9 percent and 31 percent in the past picking-up periods.

In the meantime, the annual increase rate of facility investments marked a negative 10.1 percent and 4.5 percent in the first and second quarters, respectively, against the past increases of 0.2 percent and 8.6 percent. The yearly growth of the domestic construction industry recorded a negative 1.7 percent in the first quarter and a positive 4.5 percent in the second quarter, compared with the past averaged minus 3.1 percent and 6.3 percent. Kim Ki-song, a researcher of the institute, attributed the slower pace of the present economic recovery mainly to the still-sluggish world economy and enterprises' inactive facility investments resulting from doubts on the prospects for the Korean economy.

Hyundai Heavy Industries Calls Off Lockout

*SK3107020493 Seoul YONHAP in English 0107 GMT
31 Jul 93*

[Text] Ulsan, July 31 (YONHAP)—Hyundai Heavy Industries Co. called off a planned lockout early Saturday morning, seven hours after it had informed local

labor offices of the plan. Following a predawn emergency board meeting, a spokesman said the company was calling off the lockout to foster an atmosphere for dialogue with the union. The meeting was chaired by Rep. Chong Mong-chun, an adviser to the company.

Management promptly notified the union of the board's decision and proposed that pay negotiations resume at 10 AM Saturday. The union would accept the offer once it had confirmed that the lockout had been canceled, a union spokesman said.

The negotiations hit a deadlock Friday and the company notified the provincial labor committee and the Ulsan Municipality at 6 PM of its plan for a lockout beginning Saturday. Soon afterward posters appeared on company bulletin boards saying that the gates to the mammoth shipyard would be locked indefinitely from 5 AM Saturday. The posters were removed upon the withdrawal decision.

An informed source said the board decided not to go ahead with the lockout because it saw room for negotiation after the union showed signs of backing down over the issue of reinstatement for fired former union leaders. Besides, the board feared a lockout could push the union to boycott the pay talks and instruct its members to take their summer vacations, the source said.

Burma**SLORC Chairman Receives PRC Goodwill Delegation**

*BK3007091193 Rangoon Radio Burma in Burmese
1330 GMT 29 Jul 93*

[Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of Union of Myanmar [Burma], received a visiting goodwill delegation led by Mr. Bu He, vice chairman of the Standing Committee of the Chinese National People's Congress, at the Diplomatic Hall in the Pyithu Hluttaw Building at 1000 this morning.

Vice Admiral Maung Maung Khin, deputy prime minister; Lieutenant General Tin Tun, deputy prime minister; Lt. Gen. Maung Aye, deputy commander in chief of the Defense Services; Lt. Gen. Khin Nyunt, secretary-1 of the SLORC; Lt. Gen. Tin U, secretary-2 of the SLORC; U Ohn Gyaw, minister of foreign affairs; U Nyunt Swe, deputy minister of foreign affairs; and Thura U Aung Htet, director general of the Protocol Department; were present at the reception. Mr. Liang Feng, ambassador of People's Republic of China to Union of Myanmar, accompanied the delegation and was also at the reception.

Cooperation Treaty Signed

*BK3007160793 Rangoon Radio Burma in Burmese
1330 GMT 30 Jul 93*

[Text] A ceremony to sign a treaty on economic and technical cooperation between the Union of Myanmar [Burma] and People's Republic of China was held at No. 20, Uyin Road at 1100 this morning.

On behalf of the two countries, Brigadier General Abel, minister of national planning and economic development, and Mr. Li Shizhong, deputy secretary general of the State Council of the PRC, signed the treaty.

The ceremony was attended by members of the goodwill delegation led by Mr. Bu He, special representative of the PRC and vice chairman of the Standing Committee of the National People's Congress; Vice Admiral Maung Maung Khin, deputy prime minister; U Ohn Gyaw, minister of foreign affairs; U Win Sein, minister of rail transportation; U Than Shwe, minister of industry-2; U Khin Maung Yin, minister of construction; Brig. Gen. Win Tin, minister of finance and revenue; U Nyunt Swe, deputy minister of foreign affairs, and responsible personnel; Mr. Liang Feng, ambassador of PRC; and embassy members.

On behalf Union of Myanmar, Brig. Gen. Abel, minister of national planning and economic development, spoke of words of thankfulness at the ceremony.

Ministry Signs Agreements With Amoco, Yukong Ltd

*BK3007103593 Rangoon Radio Burma in Burmese
1330 GMT 29 Jul 93*

[Text] A ceremony to sign the production sharing agreements between Myanmar Oil and Gas Enterprise [MOGE] of the Ministry of Energy and Amoco Myanmar Oil Company [AMOC] from the U.S. for joint venture oil and natural gas exploration of production blocks in central Myanmar, and between the Ministry of Energy's MOGE on one side and AMOC and Yukong Limited from the Republic of Korea on the other side for joint venture oil and natural gas exploration of production Block B and Block C in Chindwin region was held at the Ministry of Energy at 0930 this morning.

The ceremony was attended by U Khin Maung Thein, minister of energy; Brigadier General Abel, minister of national planning and economic development; U Tin Tun, deputy minister of energy; heads of departments and responsible personnel from the Ministry of Foreign Affairs, Ministry of Energy, Attorney General's Office, and Auditor General's Office; Mr. (J.R. Segal), chairman of AMOC, and members; and Mr. (J.S. Yi), general manager of Yukong Ltd., and members.

In the evening, Energy Minister U Khin Maung Thein hosted a dinner in honor of the chairman and members of AMOC and general manager and members of Yukong Ltd. at the Inya Lake Hotel.

Public Servants, Special Invitees Discuss Charter

*BK0208095193 Rangoon Radio Burma in Burmese
1330 GMT 30 Jul 93*

[Text] Groups of National Convention delegates representing public services personnel and special invitees continued their discussions this morning and in the afternoon in the respective meeting halls at the Kyaik-kasan Grounds, Yangon [Rangoon].

A group of National Convention delegates representing public service personnel continued its discussion on formulating the basic principles of state suitable to be included in the constitution at 0900 this morning in Meeting Hall No. 8. U Khin Maung Htoo from the Ministry of Transportation chaired the meeting, while U Hla Win acted as secretary of the meeting. At the meeting, the alternate chairman gave an explanation on the compilation of the report on suggestions belonging to the group. Then U Win Zaw Nyunt from the Ministry of Industry-1, U Kyaw Khine from the Ministry of Rail Transportation, and Air Force Lieutenant Colonel Zaw Win from the Ministry of Defense Services read and presented the report on suggestions belonging to the group that is to be submitted at the plenary session of the National Convention. The meeting adjourned at 1100 in the morning for lunch and resumed at 1230. During this session, U Kyaw Aye from the Office of Attorney General, Brigadier General Win Hlaing and Colonel Thein Wai from the Ministry of Defense Services read and

presented the report on suggestions belonging to the group. The meeting adjourned at 1345 for tea and resumed again at 1415. During this session, Daw Khin Than Tin from the Office of Auditor General, and U Tun Shwe from the Ministry of Labor read and presented the report on suggestions belonging to the group. The meeting ended at 1510 in the afternoon following a closing speech by the chairman.

A group of National Convention delegates representing special invitees continued its discussion on the same subject at 1000 this morning in the Meeting Hall No. 2. U Sai Aung Tun, vice chairman of the Committee for Myanmar [Burmese] History, chaired the meeting and U Soe Lwin acted as secretary of the meeting. At the meeting, the alternate chairman gave an explanation on the compilation of the report on suggestions belonging to the group that is to be presented at the plenary session of the National Convention. Then U Aung Kham Ti from Special Region-6, Southern Shan State read and presented the report on suggestions collectively compiled by the group. After the presentation, the alternate chairman sought the consent on the report on suggestions read and presented by U Aung Kham Ti. It was approved by the delegates attending the meeting. Then the alternate chairman announced the approval of the report on suggestions read and presented by U Aung Kham Ti. After that, the alternate chairman announced that U Aung Kham Ti has been selected to submit the report on suggestions approved by the group at the plenary session and Dr. Han Saw has been selected as a reserve to submit the same report. The meeting ended at 1120 in the morning following a closing speech by the chairman.

Kachin Rebels Reportedly End Talks With SLORC

BK0208083893 Hong Kong AFP in English 0822 GMT 2 Aug 93

[Text] Rangoon, Aug 2 (AFP)—Leaders of one of Burma's most powerful guerrilla armies appear to have concluded peace talks with Rangoon and have returned to their strongholds to report to their followers, reliable sources said Monday. The sources said guerrilla leaders from the ethnic minority Kachin Independence Army (KIA) recently left the capital, where they had been negotiating with junta officials, and were believed to be consulting their members before making a final decision.

"Military authorities here have agreed to provide transportation, including helicopters and other assistance so that the KIA leadership may expedite their contacts with their groups," one source, speaking on condition of anonymity, told AFP.

Reports that the KIA had begun peace talks with the junta circulated among opposition groups on the Thai-Burmese border for months before a Kachin official in Bangkok confirmed in July that negotiations were underway. The group had "embarked on a process of military ceasefire talks" since the beginning of the year, the Kachin official said in a statement. In an apparent

effort to ease concern among their allies in the anti-Rangoon guerrilla alliance, Kachin officials have said any ceasefire agreed with Rangoon must apply to all armed opposition groups.

The KIA, at war with Rangoon for decades from its bases in northern Burma, and the Karen guerrilla army in the southeast are the two largest ethnic minority armies fighting Rangoon for greater autonomy. Both groups have been joined by hundreds of pro-democracy students and older dissidents who fled Rangoon and other towns in the aftermath of the violent repression of the unsuccessful 1988 pro-democracy uprising. The anti-Rangoon groups formed an umbrella alliance in late 1988 and are demanding a democratic, federal Burma.

But Rangoon has managed to strike ceasefire deals with a number of insurgent groups in northeastern Shan state, and insurgents surrendering to the military are being resettled in new villages and being provided with homes, farm land and financial support to grow crops, Burma's state-run media reported. Similar incentives would be offered to other insurgents who surrendered, the papers quoted eastern military commander Brigadier General Saw Tun as saying.

The latest group of 35 former insurgents from various groups were being resettled at the new village of Lawpita, near Loi-kaw in eastern Burma's Kayah state, the official newspapers said.

Insurgents Kill 1, Injure 3 in Eastern Village

BK0108141293 Rangoon Radio Burma in Burmese 1330 GMT 1 Aug 93

[Text] Terrorist insurgents have been disrupting peace and tranquillity by killing villagers, who are residing peacefully under the rule of law, and burning villages. At about 0730 on 31 July, a group of Kayan terrorist insurgents entered Myenigon Village in Moby Town-ship. They fired with small arms and burned the village, destroying 11 out of 12 houses. A young two-year-old boy was killed while three females were injured.

It has been learned that our defense services columns are in pursuit of the fleeing terrorist insurgents.

406 Refugees Repatriated From Bangladesh 29 Jul

BK3007154393 Rangoon Radio Burma in Burmese 1300 GMT 30 Jul 93

[Text] In accordance with the coordinated agreement reached between the two countries on the repatriation of those who illegally left Myanmar [Burma] for Bangladesh, a delegation led by Mr. Fadur Rahman, a camp official from country on the other side [Bangladesh], transferred 406 returnees—197 males and 209 females—from 93 households to our Kanyinchaung reception center at 1015 on 29 July 1993. The returnees were brought in by 11 motorboats.

Brunei, Malaysia & Singapore**Brunei****Statement Praises ASEAN Trade Accord**

BK0108083493 Kuala Lumpur Voice of Malaysia in English 0600 GMT 1 Aug 93

[Text] Brunei says the signing of an ASEAN economic and trade agreement in Singapore recently will benefit its economic diversification policy. The agreement will have an indirect benefit on Brunei's economic diversification policy in terms of opening up new opportunities.

The Brunei Information Department in the Prime Minister's Office said in a statement that the agreement on enhancing ASEAN economic cooperation and Common Effective Preferential Tariff, CEPT, scheme for the ASEAN Free Trade Area was signed during the recent fourth ASEAN ministerial meeting in Singapore.

It was issued in conjunction with the three-day visit to Brunei by Malaysian Prime Minister Datuk Sri Dr. Mahathir. The statement said Brunei viewed ASEAN as the cornerstone of its foreign policy where territorial integrity, regional peace, security, and stability could be best maintained.

Sultan Hosts State Banquet for Malaysian Premier

BK0208091693 Kuala Lumpur BERNAMA in English 0837 GMT 2 Aug 93

[From Ali Mamat]

[Text] Bandar Seri Begawan, Brunei, Aug. 2 (OANA-BERNAMA)—Malaysia is giving serious attention to the situation in Bosnia-Herzegovina as it can no longer bear to see the Muslims there subjected to oppression and terrorism by the Serbs, Malaysian Prime Minister Dr. Mahathir Mohamed said Monday night [as received].

To this end, Malaysia was making efforts together with other countries to help the Muslims in Bosnia defend their lives and rights, he said at a state banquet hosted in his honour by Sultan Hassanal Bolkiah of Brunei at Nurul Iman Palace here.

Dr. Mahathir, who arrived here Sunday for a three-day official visit, said Malaysia's serious concern was in line with its stand to contribute towards world peace and stability and help the unfortunate.

So far, Malaysia had taken an active part in several United Nations-sponsored peace-keeping operations such as those in Cambodia and Somalia, he added.

Dr. Mahathir regretted that the cry for help by the Muslims in Bosnia to defend themselves went unheeded by the countries of Europe. In this matter, the Malaysian

Government would welcome any support or assistance from the Brunei Government to save Bosnia-Herzegovina, he said.

On Malaysia-Brunei relations, the prime minister hoped that with the agreement to set up a joint commission between the two countries bilateral cooperation could be expanded and any problems arising could be resolved (?through) the spirit of brotherhood. Such understanding and cooperation is not only important as a foundation for peace and stability in this small region but also as a positive contribution towards peace and stability in the whole of Southeast Asia, he said.

He added that close relations between Malaysia and Brunei would further enhance the glory of the Malay race and its rich culture which would have to be nurtured so that it had a place and respect in international culture. He was happy that Malaysia and Brunei cooperated closely and had been of mutual help in ASEAN and in international fora such as the United Nations and the Organisation of Islamic Conference (OIC).

He expressed his appreciation to the sultan of Brunei for his country's support for the various initiatives taken by Malaysia such as the formation of the East Asia Economic Caucus (EAEC) which now had the support of the West Asian countries. He also stressed the vital importance of ASEAN member states forging wide-ranging cooperation among themselves so that ASEAN would remain strong and united in facing pressures and challenges from any source.

Malaysia**Military Chief Views Purchase of Russian, U.S. Aircraft**

BK0108082493 Kuala Lumpur Voice of Malaysia in English 0800 GMT 1 Aug 93

[Text] Malaysia has decided to purchase 18 MiG-29 from Russia and eight F/A-18D Hornet fighter jets from the United States to replace the RMAF [Royal Malaysian Air Force] fleet of Northrop F-5E Air Defense fighter jets as part of the Armed Forces modernization plan. Armed Forces Chief Lieutenant General Abdul Ghani Abdul Aziz said another evaluation team would be sent to the United States in one or two weeks to verify the F/A-18D Hornet for the same purpose. He said priority now was to build up individual and group fighter pilots' skill. The fighters' simulator center in Butterworth will be ready by the end of next year where the Hawk simulator with some modifications to the cockpit would be used to train the MIG-29 and F/A-18D Hornet pilots.

Mahathir Leaves for Visit to Brunei 1 Aug

BK0108083093 Kuala Lumpur Voice of Malaysia in English 0600 GMT 1 Aug 93

[Text] Prime Minister Datuk Sri Dr. Mahathir's three-day visit to Brunei, beginning today, may lead to

increased trade between Malaysia and the oil-rich sultanate. Trade between the two countries is minimal and Brunei is presently Malaysia's smallest trading partner in the region.

Besides bilateral and regional issues talks, the visit is also expected to focus on issues that could enhance trade ties. Among the factors inhibiting wider trade relations between the two countries was transportation as there was no direct link in the sector. Malaysia's export to Brunei last year was 381 million ringgit, made up of 0.19 percent of Malaysia's external trade, while import of 4.2 million ringgit worth of goods. Among Malaysia's exports were petroleum and the national car Proton Saga.

The prime minister and his delegation are expected to arrive in Brunei this afternoon. He is accompanied by a 40-man delegation, including Foreign Minister Datuk Abdullah Ahmad Badawi and the chief minister of Sarawak Tan Sri Taib Mahmud. Two representatives from the business community also accompanied the prime minister in the delegation. They are the president of the Malay Chamber of Commerce and Industry Tan Sri Wan Azmi and the president of Petronas [oil corporation] Tan Sri Azizan. The prime minister is scheduled to have an audience with the sultan of Brunei where they will discuss matters of mutual interest.

General: Special Armored Task Force for Bosnia

BK3007114793 Kuala Lumpur BERNAMA in English 1005 GMT 30 Jul 93

[Text] Kuala Lumpur, July 30 (OANA-BERNAMA)—The Malaysian Army has set up a special armoured task force for United Nations' peacekeeping duties in war-torn Bosnia-Herzegovina, chief of Armed Forces Gen. Abdul Rahman Hamid said Friday. He said the 1,500-strong force would be led by former First Malaysian Infantry Brigade Commander Brig. Gen Hashim Hamid and would be equipped with armoured personnel carriers, light tanks, and other basic infantry equipment.

The various units had been selected and had been undergoing training for the type of mission there, Gen. Abdul Rahman told reporters after attending a poetry-reading contest, here. He said the task force would basically be made up of the 23rd Battalion of the Royal Malay Regiment, several squadrons of armoured vehicles from the Royal Armoured Corps, and a special forces detachment.

However, he said more armoured personnel carriers and light or medium tanks might have to be purchased for the peacekeeping mission in Bosnia. This is because the number of such combat vehicles in our inventory is not enough to be released for another UN mission, he said. He said the deployment of more armoured personnel carriers (APCs) overseas might somewhat affect the army's armoured equipment assets needed for national defence.

Gen. Abdul Rahman said although the government was still waiting for the go-ahead from the world body in New York, preparations had to be made by the armed

forces in advance. A decision is expected to be made very soon, he said. Malaysia, along with several other member countries of the Organisation of Islamic Conference (OIC), had offered troops to serve with the UN peace-keeping mission in Bosnia.

Gen. Abdul Rahman said the task force also comprised support elements such as engineer and medical units. He said the 12-member reconnaissance team currently in the former Yugoslavia had been to the Port of Split in Croatia and its capital, Zagreb and also the besieged Sarajevo.

If given the go-ahead by the UN, he said one of the possible routes of deployment would be by sea to the Port of Split and overland into Bosnia-Herzegovina.

The Malaysian team is there to discuss deployment matters with senior officers of the UN Protection Force (UNPROFOR) and to look at the actual situation there. The team is expected to return next week.

Opposition Leader Views UMNO's Internal Rivalries

BK3107080093 Singapore THE STRAITS TIMES in English 19 Jul 93 p 14

[By Ismail Kassim]

[Text] Kuala Lumpur—Spirit of '46 leader Tengku Razaleigh Hamzah, who is trying to unite the opposition parties for the next general election, pays a lot of attention to the infighting in UMNO [United Malays National Organization], the premier party in the ruling National Front coalition.

He knows that the intense rivalries in the UMNO elections, scheduled for 4 November, may affect him and his party.

As a former UMNO leader who had held top government posts, he is an old hand in the party's power struggle. He still has good contacts in UMNO.

After failing to oust Prime Minister Datuk Sri Dr. Mahathir Mohamed from the UMNO presidency in 1987, he left with his followers to set up a rival Malay party, the Spirit of '46.

Some of his followers have defected back to UMNO after the Spirit of '46 and the two opposition alliances which Tengku Razaleigh forged failed to unseat the Front coalition in the October 1990 general election.

An UMNO weakened by internal rivalries will obviously boost the opposition's chances in the next general election which must be held by November 1995 at the latest.

A split in UMNO might lead to a reconciliation between one faction of UMNO and the Spirit of '46.

Said an analyst: "At this stage, everything is possible, nothing can be ruled out."

For this reason, Tengku Razaleigh is often asked by members about the party's stand with regard to the UMNO infighting.

At a dialogue in Sijangkang, Selangor, on July 10, this question was asked: Should party members support Finance Minister Datuk Sri Anwar Ibrahim or his rival, Deputy Prime Minister Ghafar Baba, in the struggle for the UMNO deputy presidency?

Tengku Razaleigh's public stand was that the Spirit of '46 should not take sides as it would make no difference to the party.

He went even further by telling his members that, as far as he was concerned, neither Mr. Ghafar nor Datuk Anwar was qualified to take over the premiership from Dr. Mahathir.

Most observers, however believe that UMNO, under the leadership of Mr. Ghafar, may just be able to persuade Tengku Razaleigh to return to the fold with his supporters.

Tengku Razaleigh said that he expected to see a clash for the UMNO deputy presidency, despite pleas from Dr. Mahathir that the two incumbents for the party's top jobs be returned unopposed.

Tengku Razaleigh said that Datuk Anwar dared to go against the wishes of Dr. Mahathir because he was the latter's favourite.

While Dr. Mahathir—who has led UMNO since 1981—is virtually assured of being returned unopposed as UMNO president, the party seems to be split into two camps in the choice of candidates for posts from the deputy presidency downwards.

Tengku Razaleigh makes no secret of his feelings that UMNO would split after Dr. Mahathir leaves the stage.

"There is no consensus on his successor. I don't think anyone is strong enough to unite all the factions," he said.

Hajah Ilani Ishak, the Spirit of '46 member of parliament for Kota Baru, was even more blunt. She said that UMNO and the Spirit of '46 might get together if UMNO was led by anyone but Dr. Mahathir.

Until then, Tengku Razaleigh continues to hold his followers together while making efforts to unite all the opposition parties under one banner.

In the last polls, he was only partially successful when the '46 party formed two separate alliances to take on the Front.

One was with several Islamic-based parties, including Parti Islam (PAS) [Pan Malaysia Islamic Party], to fight in the east coast of peninsular Malaysia.

The other was with several secular, mainly non-Malay groups such as the Democratic Action Party (DAP) to contest the multi-racial constituencies in the west coast.

The main stumbling block to a united front among the opposition is the refusal of the DAP and PAS to sit together because of their conflicting ideologies.

Asked whether he was making any headway to bring the two parties together, Tengku Razaleigh said that he was still working at it. "I have not found a formula that could please both sides yet. But I am not giving up hope," he added.

His priority now was to strengthen the Spirit of '46, he said. Since May, he had visited four states, including Selangor, to drum up support for his party. Terengganu is next in line.

Accompanied by about four or five carloads of officials from Kuala Lumpur, he spent his time meeting divisional committee members greeting voters on his walkabouts and holding dialogues with them.

According to Spirit of '46 information chief Ahmad Shaberry Chik, the main reason for the visits is to demonstrate that the party is here to stay.

"We want to show the flag to prove that we are not a fly-by-night party," he added.

He described the response to Tengku Razaleigh thus far as encouraging. "Voters recognised him instantly. Many came to greet and wish him luck," he added.

Minister Discusses Illegal Satellite Dish Use

BK3107083493 Kuala Lumpur UTUSAN MALAYSIA in Malay 25 Jun 93 pp 1,2

[Excerpt] Kuala Lumpur 24 June—The government may allow the use of satellite dishes throughout the country for industrial purposes, stock market information, and increasing the general knowledge of the people. Licenses for the use of satellite dishes may eventually have to be issued in view of their widespread use to the extent that the government is unable to control them, especially in Sabah and Sarawak.

Samy Vellu, minister of Energy, Telecommunications, and Posts, said that there are about 23,000 illegal satellite dish users, who receive foreign television transmissions, in Sabah and Sarawak alone. According to the statistics, the number of illegal satellite dish users has increased from 2,000 to 22,000 in only three years' time. In Sabah, there are currently 1,000 illegal satellite dish users. The minister also disclosed that the cabinet had discussed the plan to issue licenses, but had not reached a decision on the matter. [passage omitted]

Singapore

Paper on Breakthrough in ASEAN Economic Ties

BK3007160193 Singapore THE STRAITS TIMES in English 30 Jul 93 p 34

[Editorial: "The Economics of Security"]

[Text] No less important than the progress made on Asian security issues was the breakthrough achieved on economic relations at the 26th ASEAN Ministerial Meeting in Singapore. The breakthrough lay in the compromise, brokered by Singapore, between the Malaysian and Indonesian positions on the role of the East Asia Economic Caucus (EAEC), a mechanism for regional countries to coordinate their views on economic issues. Malaysia, whose idea EAEC was, wanted it to be linked to the annual ASEAN Economic Ministers Meeting (AEM) so as to allow ASEAN to influence the development of the caucus. Indonesia, however, felt that the EAEC should be part of the broader Asia-Pacific Economic Cooperation (APEC) forum because, otherwise, Japan and South Korea, influenced by American opposition to the EAEC, would not join the caucus. Under the compromise worked out, the EAEC will be linked to both APEC and the AEM, resulting in what should be a series of overlapping, and hopefully interlocking, connections between members of ASEAN, of the EAEC and of APEC. One immediate result of the compromise is the hope among ASEAN leaders that Japan and South Korea, which said that they would wait until there was an ASEAN consensus on the issue, would join the EAEC now that a consensus had been achieved.

This is not to claim that unanimity of interests between the three groupings will be easy to achieve, or even that it will necessarily follow. As with the agreements reached on security, what has been achieved is not so much unanimity as the creation of a community of interests. Hard work lies ahead in fleshing out the agreements concluded. US opposition to the EAEC is a longstanding one: Washington, which will be excluded from it, fears that it is a move towards an Asian economic bloc, led ultimately—and paradoxically, given Japanese hesitation over the EAEC—by Tokyo. Australia, which initiated APEC in 1989, thinks that people should not get too excited “about the whole EAEC thing” because “APEC is the main game”. That blunt reaction from its Foreign Minister Gareth Evans underlines another source of scepticism, though not hostility, towards the idea. However, without the compromise achieved in Singapore, these various attempts to coordinate Asian, and Pacific Asian, economic interests would have remained separate, perhaps getting in each other's way and making the real goal—the continued prosperity of the region in a time of fundamental change—an elusive one.

Of a different order was the US support for an ASEAN proposal to link the ASEAN Free Trade Area (AFTA) and the North American Free Trade Agreement (NAFTA). The US welcomed ASEAN's desire to liberalise trade in this region since that would raise growth rates in ASEAN, an important trading partner for the US. If only ASEAN could be as positive about NAFTA. According to an estimate by Michigan State University, the trade diversion caused merely by NAFTA's tariff elimination scheme would cost ASEAN US\$484 million, or 4 per cent of its total exports to North America in 1988, if the effect of the removal of non-tariff barriers

within NAFTA is considered, that figure goes up to between 8 and 12 per cent. While the US insists that NAFTA is not meant to create a Fortress America, it is the implementation of the scheme that is important. Keeping AFTA and NAFTA open to each other's interests is a source of reassurance in an uncertain world economic order.

Ultimately, it is that order—in what happens to the General Agreement on Tariffs and Trade regime—that real security lies. EAEC, APEC, AFTA, NAFTA—these, and other, organisations are attempts to secure the economic interests of groups of nations against the backdrop of the international trade regime. They are not a substitute for that regime. The Singapore meeting suggested ways to keep trading giants talking, and listening, to one another. The goal remains the preservation of the overall economic order.

Minister Reaffirms Commitment to Growth Triangle

BK0108080493 Singapore THE STRAITS TIMES in English 31 Jul 93 p 27

[Text] Singapore remains committed to the development of the Growth Triangle and is convinced that it will attract its fair share of investments, Minister of Trade and Industry S. Dhanabalan said yesterday.

Reiterating Singapore's commitment, he said: “We believe that the Growth Triangle will continue to offer attractive opportunities for our businessmen.”

But he added that Singapore and her partners should realise that there was competition from China, India, and Vietnam, which offered alternative investment opportunities.

This was a concern shared by his counterparts in Indonesia, whom he met during a visit here last month. Singapore and her partners should do their best to make the Triangle attractive to investors, he said.

He was replying to Member of Parliament Toh Keng Kiat, who asked, among other things, if Singapore's partners were concerned about investors shifting their interest to new investment areas.

There are now 23 factory buildings, covering 70 ha (hectares) of land in Batam Industrial Park, with 16,000 workers.

This number is expected to rise to 20,000 by the end of the year.

Other projects in the offing include two tourist resort projects in Bintan, Bintan Industrial Estate, and the Karimun Industrial Complex.

Cambodia

PNGC Denounces KR Attack on Preah Vihear Checkpoint

BK0208022193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 2300 GMT 1 Aug 93

["Statement by the Provisional National Government of Cambodia;" dated 1 August—read by announcer]

[Text] A group of Khmer Rouge [KR] soldiers of Democratic Kampuchea brutally attacked a control post of the Provisional National Government of Cambodia [PNGC] at the (?An Sos) position in Choam Khsan District of Preah Vihear Province on 1 August. The post is a checkpoint manned only by UNTAC [UN Transitional Authority in Cambodia] forces and the PNGC policemen who control the movement of goods between Cambodia and Thailand. The onslaught forced the government troops to retreat temporarily at 1500.

The PNGC vehemently denounces the indecent hostility, which violates the peaceful words used by the Khmer Rouge of Democratic Kampuchea to humbly ask that they be included in the process of national reconciliation and unification. In fact, they have actually tried to expand their territory and basely use violence as their bargaining chip. The PNGC demands that the Khmer Rouge of Democratic Kampuchea immediately withdraw from that area and the area of Preah Vihear that they attacked and seized recently. Otherwise the PNGC will take necessary and appropriate measures to deal with those activities accordingly.

[Dated] Phnom Penh, 1 August

Cochairmen Return From Laos; Ranariddh Comments

BK3107130593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1100 GMT 31 Jul 93

[Text] After a successful official four-day trip to the Lao People's Democratic Republic [LPDR], the high-ranking delegation of the Provisional National Government of Cambodia [PNGC] led by PNGC cochairmen Prince Kromluong Norodom Ranariddh and His Excellency [H.E.] Hun Sen safely arrived home at 1130 on the morning of 31 July.

Among those greeting the PNGC cochairmen's high-ranking delegation at Pochentong Airport were PNGC Deputy Prime Ministers H.E. Keat Chhon and H.E. Ung Phan; PNGC Ministers of State H.E. Ing Kiet, H.E. Van Molivan, and H.E. Hor Namhong; H.E. PNGC cabinet minister Sok An; excellency high-ranking officials; leading officials, cadres, and employees from all Cambodian national establishments; and a multitude of officials and military officers of the Cambodian National Armed

Forces and police. Excellency representatives of ambassadors and various embassies accredited to Cambodia were also present on this occasion.

Also on this occasion, Prince Kromluong Norodom Ranariddh talked to many local and foreign reporters. Our radio presents this address as follows:

[Begin Ranariddh recording] First of all, I would like to say that H.E. Cochairman Hun Sen and I are honored to inform you that this is part of the policy of our PNGC. We start with relations with countries closest to Cambodia and consolidate friendship and mutual understanding to solve problems peacefully. For this reason, we decided to visit our Laotian brothers and the LPDR because we received their invitation first and Laos is a country that has been supporting us and the Cambodian people in the struggle for a peaceful solution to the Cambodian problem.

Later, we will visit Thailand and then Vietnam at their invitations. We will carry on in order to gain support and also to explain the real situation in our country. [end recording]

Foreign Minister Receives Indian Envoy 27 Jul

BK2907092793 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 28 Jul 93

[Text] His Excellency [H.E.] Bhandari, Indian ambassador to Cambodia, paid a courtesy visit on Prince Norodom Sirivut, minister of foreign affairs and international cooperation, at the Foreign Ministry on the afternoon of 27 July. At the meeting, the prince welcomed the Indian Government's staunch support for the Provisional National Government of Cambodia and thanked Indian experts for their assistance in the restoration of the temple of Angkor Wat.

H.E. Bhandari pledged to continue multilateral cooperation with other countries in restoring the temple, saying that the Indian Government had paid great attention to the training of Cambodian students and specialists.

Staff Chief Sends Thanks to Australian Admiral

BK2907125593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 28 Jul 93

["Message of thanks" from General Ke Kimyan, chief of the Cambodian National Armed Forces General Staff, to Admiral A.L. Beaumont, chief of the Australian Defense Force; date not given]

[Text] Dear Your Excellency: I am very pleased to thank you deeply for your 19 July letter of greetings on the creation of the Cambodian National Armed Forces [CNAF] and on my appointment as chief of the CNAF General Staff. I would like to say that I feel highly appreciative of and thankful for the fine and fruitful

cooperation between the Australian UNTAC [UN Transitional Authority in Cambodia] troops and our armed forces in the process of seeking peace for Cambodia.

On behalf of the CNAF and in my own name, I firmly believe that the relations of solidarity, friendship, and cooperation between the CNAF and the Australian Defense Force will continue to strengthen and develop.

I would like to thank you profoundly for your confidence in me, as I am entrusted with the task of leading the CNAF in this difficult and complicated stage.

Your Excellency, please accept my highest and intimate regards.

Sihanouk's Advice Sought on Francophone Membership

BK3007043193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 29 Jul 93

[Text] On 28 July, Prince Kromluong Norodom Ranariddh and His Excellency Hun Sen, cochairmen of the Provisional National Government of Cambodia [PNGC], sent a message to His Royal Highness [HRH] Prince Norodom Sihanouk. The message says:

Greetings to HRH Prince Norodom Sihanouk, father of the nation, head of state, and father of liberal democracy.

You have appointed Prince Kromluong to lead a high-ranking Cambodian delegation to attend the summit of francophone countries in Mauritius. Realizing the importance of being a member of this organization and its benefit for our country, the PNGC is now thinking of applying for membership.

We would like to ask the Prince Father's consideration, advice, and favor on this issue.

Revered Prince Father, please accept our sincere loyalty and highest respect.

Phnom Penh Radio Details Khmer Rouge 'Violations'

BK3107083793 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 30 Jul 93

[Text] During the past week, the Khmer Rouge continued its military activities and violations against the National Armed Forces [NAF], using its forces to launch surprise attacks, firing many shells into our positions, and sending small groups of forces to mine bridges in various areas and rob people of their property and cattle in outlying remote villages and communes.

During the period from 19 to 25 July, the Khmer Rouge launched activities on 69 occasions, especially in Siem Reap-Oddar Meanchey, Kompong Thom, and Kompong Cham Provinces. Due to their activities, we suffered one killed and seven wounded and lost 18 weapons. They

also disarmed 56 militiamen; killed two inhabitants and wounded 11 others; seized three tractors, 43 oxen, 620,000 riels, 97,500 baht, and 10.25 grams [g] of gold; and burned down 15 houses. They also stole 500 U.S. dollars from UNTAC [UN Transitional Authority in Cambodia] personnel. Here are details of these activities:

In Siem Reap-Oddar Meanchey Province on 17 July, the Khmer Rouge fired 34 DK-85 and DK-75 shells into our position in an area 10 km southwest of Sot Nikum District. On 15 July, 20 to 25 Khmer Rouge soldiers launched an assault on a position of the NAF's 1st Company in Chikreng District, but they were repulsed by our NAF. On 16 July, about 100 Khmer Rouge soldiers from Divisions 980 and 912 attacked and seized control of three people's communes: Kouk Dong, Nakor Pheas, and Kdei Run in Angkor Chum District. But on 19 July, our NAF repulsed them and recaptured the three communes. On 16 July, Khmer Rouge forces from the same Division 980 attacked and seized control of Chan Sar, Popeal, and Samraong communes in Sot Nikum District. Our NAF recaptured these communes on 18 July. On 18 July, Khmer Rouge forces blew up two bridges on Route 6 west of Puok District. They also fired at and wounded an NAF member. On 20 July, 50 Khmer Rouge soldiers assaulted an NAF position at coordinates 55/35 and 53/34 in Chikreng District, killing an inhabitant, wounding another, killing two oxen, and destroying a quantity of materials. Also on 20 July, the Khmer Rouge fired 13 85-mm cannon rounds into Chikreng District, killing an inhabitant and wounding four others. On the same day, 70 Khmer Rouge soldiers attacked the 86th Battalion, stationed in an area 12 to 16 km northwest of Chikreng District, wounding two NAF members and five inhabitants, burning down three houses, killing an ox, and destroying a quantity of materials. On 22 July, the Khmer Rouge mobilized inhabitants to transport ammunition to an area north of Banteay Srei District. They also built a trail up the hill there. On the same day, they plundered 30 oxen belonging to the people in Sot Nikum District.

In Bateay Meanchey Province on 20 July, 30 Khmer Rouge soldiers attacked and took control of Toek Thia bridge for 30 minutes. They totally destroyed the bridge; seized 14 weapons, 97,500 baht, 220,000 riels, and 10.25 g of gold; and burned down seven houses.

In Battambang Province on 21 July, the Khmer Rouge blew up a bridge in Battambang District. Also on 21 July, 40 Khmer Rouge soldiers from Division 36 raided and fired 30 DK-82 shells into Prey Svay commune in MOUNG Russei District.

In Kompong Thom Province on 17 July, 300 to 400 Khmer Rouge soldiers from Division 616 assembled at Kragea and Sa Kream villages. They fired a barrage of shells into Thlok and launched an assault on Kantraong and Botum villages northwest of the Stoung District seat. On 15 July, Khmer Rouge soldiers from Division 802 raided Tang Daeum village in Sandan District and stole a large quantity of people's property. On 16 July, the

Khmer Rouge's 616th Division fired 15 DK-82 shells and sent infantry to attack our NAF position in an area northeast of Stoung District. On 21 July, they launched a three-prong attack and fired barrages of mortar shells into a position of our 89th Regiment, killing an NAF member and wounding another.

In Kompong Cham Province on 18 July, the Khmer Rouge's Division 417 ambushed an UNTAC car and seized 500 dollars from UNTAC personnel at Roluos in Prey Chhor District. Khmer Rouge soldiers also seized weapons from 29 village and commune militiamen in Srei Santhor District, 13 in Kroch Chhma District, and five others in Koh Sotin District. On 17 July, they launched activities—in particular robbing people—in various areas in Koh Sotin and Srei Santhor Districts. On 21 July, 70 to 80 Khmer rouge soldiers encircled and attacked our position at Phum Thmer in Tbong Khmum district.

In Kratie Province on 18 July, Khmer Rouge soldiers stole three tractors moving along a trail in Prey Prasap District. On 25 July, 20 Khmer Rouge soldiers held up people traveling by car and motorcycle at O Svay Chreah along Route 13, seizing 400,000 riels and a quantity of belongings.

Also during the past week, our NAF were on alert against Khmer Rouge violations. Our NAF checked these activities on eight occasions, during which 22 Khmer Rouge soldiers were put out of action—19 were killed and three others surrendered. Our forces seized four weapons, a motorcycle, and a large quantity of materials.

Fighting Reported in Northwest Battambang

BK3107101893 Hong Kong AFP in English 1008 GMT 31 Jul 93

[Text] Phnom Penh, July 31 (AFP)—Fighting between Khmer Rouge guerrillas and Cambodian Government troops has flared in the northwestern district of Battambang, U.N. spokeswoman Susan Manuel said Saturday.

"U.N. military observers who visited the (government soldiers') 6th Division headquarters witnessed fighting and heard reports of frequent fighting since July 24," Manuel said.

A group of 50 Khmer Rouge guerillas attacked a government position in Prong Rooh village to the south of Bavel town Friday, she said. The government troops were forced to withdraw and suffered seven men injured. A number of villagers' houses were burnt down in the firefight and villagers were reported to be fleeing to Bavel town for safety, she said.

Thousands of peasants fled their villages last December to escape fighting and intense shelling in the Bavel district when the Khmer Rouge launched a big offensive against Phnom Penh army positions.

Indonesia

Government Condemns Israeli Attacks on Lebanon

BK3107132293 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 31 Jul 93

[Text] A press statement from the Foreign Affairs Department in Jakarta said the Indonesian Government has urged the United Nations Security Council [UNSC] to take immediate steps to enforce its resolution, which would hasten the withdrawal of Israeli forces from South Lebanon. The statement, which was released this afternoon, said that the Indonesian Government is closely following the events and is very concerned about the escalating military attacks on areas in South Lebanon, which had caused heavy casualties.

In view of the continuing attacks, the Indonesian Government has reaffirmed its feeling of brotherhood with the government and the people of Lebanon. At the same time the Indonesian Government is condemning the inhumane acts on the Lebanese and the violation of human rights and Lebanon's sovereignty.

The Foreign Affairs Department said that Israel's attacks on South Lebanon are contradictory to the efforts by the international community, which is now trying to bring peace to the region. Considering the current worsening condition, the Indonesian Government hopes that the UNSC will immediately enforce resolution No. 425/1978, which stressed the withdrawal of Israeli troops from South Lebanon.

Private Sector Urged To Join Growth-Triangle Project

BK3107123493 Jakarta THE JAKARTA POST in English 22 Jul 93 p 4

[Editorial: "New Growth Triangle"]

[Text] The second growth-triangle project in the Association of Southeast Asian Nations (ASEAN) region, which up to a year ago looked like only a remote, heavily politically-accentuated concept, is set to start up within the near future. The first ministerial meeting of the three countries involved in the project—Indonesia, Malaysia and Thailand—which ended on Malaysia's resort island of Langkawi on Tuesday, not only agreed on the terms of reference for the project. It also went on to identify three top priority areas of cooperation: the tourism, agro-processing and electronics industries.

Modeled on the first growth-triangle concept that links Indonesia's Riau islands, Singapore and the Malaysian state of Johor, the new project will link Indonesia's northern Sumatera, Malaysia's northwestern states and Thailand's southern provinces. However, unlike the first growth triangle which uses Singapore as the regional hub, the new one will likely revolve around Malaysia's Penang state, which is well known for its advanced electronics

industry. Hence, it is obvious why the Malaysian government has been far more enthusiastic about this project than about the earlier one.

We greatly welcome the new growth-triangle concept as another form of strategic alliance among neighboring countries meant to spur their economic growth and to maintain their competitiveness in the international market. This cooperation also is expected to enable the neighbors to better harness the complementary advantages of their economic development and natural resource endowments. The types of priority cooperation areas selected for the project show that the new growth-triangle concept will be based primarily on a division of labor like the first one was.

The different stages of development achieved by the three countries in the three areas do allow for mutually-beneficial division of labor. Penang, with its well-developed electronics industry, is in the process of moving up to higher value-added products because the advantage of its labor-intensive enterprises is being eroded by steadily rising labor costs. The labor-intensive segment of its manufacturing operations can therefore be relocated to the northern part of Sumatera. Likewise, the well-developed plantation industry in other of Malaysia's northwestern estates is also losing its competitive advantage due to costlier labor. On the other hand, northern Sumatera—the center of Indonesia's most developed plantations—has a large number of experienced plantation workers who are willing to work for much lower wages. Thailand, with its more advanced fisheries and agro-industries, is also an ideal partner for northern Sumatera in developing its horticulture and fishery industries.

Tourism also offers promising opportunities. The business with the most prospects that can be jointly promoted is a package tour linking Phuket in Thailand, Langkawi in Malaysia and Medan in North Sumatera. We think second-tier airlines such as Indonesia's Sempati, Malaysia's Pelangi Air and Singapore's Silk Air are in the best position to cooperate in promoting such tour packages. This cooperation will promote not only intra-ASEAN tourism but also enrich the variety of destinations in ASEAN package tours for foreign tourists.

Obviously, the growth-triangle project can materialize only with the participation of the private sectors of the three countries and other ASEAN states. But to encourage the private sectors to explore business opportunities in the growth-triangle areas, the three governments should work together to facilitate smoother border-crossing movement of labor, capital and goods through uniform rulings in trade, business licensing, immigration, customs and other legal and regulatory matters. The project will become even a more attractive proposition to investors if businessmen from other ASEAN states are not discriminated against in taking part in its development.

Laos

Further Reportage on Visit by Cambodian Delegation

Delegation Visits Luang Prabang

BK3007132793 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 30 Jul 93

[Text] The high-level delegation of the Provisional National Government of Cambodia [PNGC] headed by Prince Kromluong Norodom Ranariddh and His Excellency [H.E.] Hun Sen, cochairs of the PNGC, arrived in Luang Prabang Province at 1500 on 29 July. The PNGC delegation was warmly and honorably welcomed by H.E. Chansi Phosikham, governor of Luang Prabang Province, and a large number of Luang Prabang residents at Luang Prabang airport. The high-level PNGC delegation then met and chatted with the provincial governor and many high-level officials of the province. The visitors also paid a visit to the museum, paid homage to Buddha images at Vat Siangthong Temple, and toured the capital of Luang Prabang.

H.E. Governor Chansi Phosikham and the residents of Luang Prabang District held a Basi blessing ceremony for the visitors and held a dinner banquet in honor of Prince Kromluong Norodom Ranariddh and H.E. Hun Sen and their entourage that evening.

On the morning of 30 July, the high-level PNGC delegation visited a textile handicraft production establishment at Ban (?Phanok) Village in the Luang Prabang provincial municipality and toured the famous scenic sights of (?Kongsi mountains).

The high-level PNGC delegation ended the visit to the province that afternoon and returned to the capital, Vientiane.

Concludes Visit 31 Jul

BK3107081393 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 31 Jul 93

[Text] An honorable farewell ceremony was held this morning for a delegation from the Provisional National Government of Cambodia [PNGC] led by Prince Kromluong Norodom Ranariddh and His Excellency [H.E.] Hun Sen, cochairs of the PNGC. It was held at 1000 at the National Assembly Hall in the capital of Vientiane. The ceremony marked the end of the Cambodian delegation's four-day official friendship to the Lao People's Democratic Republic [LPDR] at the invitation of H.E. Khamtai Siphandon, prime minister of the LPDR.

Attending the farewell ceremony were H.E. LPDR Prime Minister Khamtai Siphandon; H.E. Khamphoui Keoboulapha, deputy prime minister and chairman of the Committee for Planning and Cooperation; H.E. Phao Bounnaphon, minister and head of the Prime Minister's

Office; H.E. Foreign Affairs Minister Somsavat Lengsavat; ministers and deputy ministers; high-ranking military, police, and civil officials; and the Cambodian ambassador extraordinary and plenipotentiary to Laos.

During the four-day visit to the LPDR, the high-level PNGC delegation paid courtesy calls on H.E. Prime Minister Khamtai Siphandon and H.E. President Nouthak Phoumsavan.

Delegations from the two countries met, held talks, and signed a Lao-Cambodian joint communique. In addition, the Cambodian delegation visited a number of economic establishments and ancient places of historical significance in the capital of Vientiane and Luang Prabang Province.

Prior to the Cambodian delegation's departure for home, the delegations of the two countries signed a joint communique. Representing the Lao side at the signing was H.E. Prime Minister Khamtai Siphandon, while the Cambodian side was jointly represented by Prince Norodom Ranariddh and H.E. Hun Sen, cochairmen of the PNGC.

'Text' of Joint Communique

BK3107090593 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 31 Jul 93

["Text" of Lao-Cambodian joint communique issued in Vientiane on 31 July]

[Text] 1. In response to an invitation by His Excellency [H.E.] Khamtai Siphandon, prime minister of the Lao People's Democratic Republic [LPDR], Prince Kromluong Norodom Ranariddh and H.E. Hun Sen, cochairmen of the Provisional National Government of Cambodia, paid an official friendship visit to the LPDR from 28 to 31 July 1993.

2. During their visit to the LPDR, Prince Kromluong Norodom Ranariddh and H.E. Hun Sen paid a courtesy call on H.E. LPDR President Nouthak Phoumsavan. On this occasion, the guests and the host talked about relations between the two countries in an atmosphere of close friendship and mutual understanding. H.E. President Nouthak Phoumsavan extended an invitation to Cambodian head of state Prince Norodom Sihanouk and his wife to pay an official friendship visit to the LPDR at a time convenient to the prince. The Cambodian Government cochairmen expressed hearty thanks to H.E. President Nouthak Phoumsavan for the invitation and agreed to present it to Prince Norodom Sihanouk and his consort.

3. Prince Kromluong Norodom Ranariddh, H.E. Hun Sen, and their delegation laid a wreath at the monument of unknown combatants in Vientiane. They also visited some production establishments and historic and cultural places in Vientiane and Luang Prabang Provinces. They were warmly welcomed at every place they visited.

4. An LPDR delegation led by H.E. Prime Minister Khamtai Siphandon held talks with the Provisional National Government of Cambodia delegation led by Prince Kromluong Norodom Ranariddh and H.E. Hun Sen. The talks proceeded in an atmosphere of friendship and sincerity. During the talks, the two sides exchanged views on certain international and regional issues. They informed each other of the situation in their respective countries. They also discussed relations and cooperation in the economic and cultural fields between the two countries in the next stage.

5. The Lao side expressed sincere commendation on the success of the general elections in Cambodia last May, as well as the success in establishing the Constituent Assembly and forming the Provisional National Government of Cambodia. The successes are considered significant fruits gained in implementing the national reconciliation policy in Cambodia. On this basis, H.E. Khamtai Siphandon highly assessed the significant and noble role fulfilled by Prince Norodom Sihanouk, head of state and father of the Cambodian nation, for the national concord, peace, stability, and happiness of the entire Cambodian people and for the strengthening, promotion, and expansion of the traditional relations of friendship and solidarity between the two countries and two peoples of Laos and Cambodia.

6. On behalf of the LPDR Government and the Lao people, H.E. Khamtai Siphandon expressed warm congratulations to Prince Kromluong Norodom Ranariddh and H.E. Hun Sen on their appointments as cochairmen of the Provisional National Government of Cambodia. He also wished the two cochairmen great success in performing their noble tasks in order to turn Cambodia into an independent, peaceful, neutral, nonaligned, and prosperous country that maintains friendly relations with all countries, in particular neighboring countries.

7. The Lao side reiterated its firm intention to maintain, to promote, and to expand continuously the long-standing traditional relations of friendship and good-neighborliness between the peoples of Laos and Cambodia.

8. Prince Kromluong Norodom Ranariddh and H.E. Hun Sen, cochairmen of the Provisional National Government of Cambodia, expressed profound thanks to H.E. LPDR Prime Minister Khamtai Siphandon for cordially extending an invitation to them to pay a official friendship visit to the LPDR. The invitation clearly reflects an earnest aspiration to strengthen the traditional relations of friendship, solidarity, and cooperation between the two countries and two peoples of Laos and Cambodia.

9. The high-level delegation of the Provisional National Government of Cambodia expressed sincere gratitude to the Lao Government and people for positively contributing to the process of peace in Cambodia since the beginning of the peace talks, in particular from the signing of the Paris Accord until the time when the

people organized the free and democratic general elections in Cambodia to elect members of the Constituent Assembly, and when the Provisional National Government of Cambodia was established.

10. The two sides reiterated the significance of the expansion of the traditional relations of friendship and good-neighborliness between the two countries on the basis of the principles of respect for each other's independence, sovereignty, and territorial integrity; noninterference in each other's internal affairs; nonuse of force or threat to use force; and the settlement of all bilateral problems through peaceful means, cooperation, equality, and mutual benefit so as to serve the basic, long-term benefits of the people of each country and to be in conformity with the spirit of the Paris Accord on Cambodia of 23 October 1991, to which both Cambodia and the LPDR are signatory states.

11. On the said spirit, the two sides reiterated the broadening of economic, trade, cultural, scientific, and technological cooperation between the two countries.

12. The two sides maintained that although the situation in general remains difficult and complicated, the positive trend in Southeast Asia has developed in favor for the improvement of friendly relations and cooperation among various countries in the region.

13. The two sides assessed that this official friendship visit to the LPDR by the high-level delegation of the Provisional National Government of Cambodia ended with glorious success and that the successful visit marks a new milestone of the development of the traditional relations of friendship and good-neighborliness between the two countries and the two peoples.

14. Prince Kromluong Norodom Ranariddh and H.E. Hun Sen, cochairmen of the Provisional National Government of Cambodia, once again expressed profound thanks to the Lao Government and people for the warm and cordial welcome accorded to them. On behalf of the Provisional National Government of Cambodia, Prince Kromluong Norodom Ranariddh and H.E. Hun Sen invited H.E. LPDR Prime Minister Khamtai Siphandon to pay an official visit to Cambodia at an appropriate time. H.E. Prime Minister Khamtai Siphandon accepted the invitation with pleasure and thanks. The Cambodian side will be informed later of the dates and time for the visit through diplomatic channels.

[Signed] Khamtai Siphandon, prime minister, on behalf of the LPDR Government

[Signed] Norodom Ranariddh, cochairman, and Hun Sen, cochairman, on behalf of the Provisional National Government of Cambodia

[Dated] Vientiane, 31 July

Foreign Ministry Condemns Israeli Acts in Lebanon

BK3007124893 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 30 Jul 93

["Interview" with Vanheuang Vongvichit, director of the Information Department and spokesman of the Foreign Affairs Ministry, by a Lao News Agency correspondent in Vientiane on 30 July—read by announcer]

[Text] As everyone knows, since 25 July, Israel has deployed a large number of helicopters and artillery pieces to launch attacks against many villages in southern Lebanon, despite the fact that those areas are still under the protection of UN forces. This has left hundreds of Palestinian people dead or injured and caused severe destruction to a great deal of public property. The Israeli attacks against the Lebanese and Palestinian people are premeditated and sinister schemes carried out to force a large number of people living in the areas to flee to safer places.

The latest Israeli acts are not only a new crime against the Lebanese and Palestinian people living in Lebanese territory but are also a challenge to progressive people all over the world who love peace and justice. At the same time, they constitute a serious encroachment on the independence, sovereignty, and territorial integrity of Lebanon and a violation of the UN Charter. They have created a new obstacle to the peaceful solution of the Middle East problem.

Like any other people throughout the world, the Government of the Lao People's Democratic Republic [LPDR] and the Lao people are indignant at the new inhuman Israeli acts against the Lebanese and Palestinian people in southern Lebanon. We demand that they immediately put an end to such acts, strictly respect the sovereignty and territorial integrity of Lebanon, and strictly abide by the UN charters and all UN resolutions on the Palestinian and Middle East problems. The LPDR Government hopes that the world community and the UN Security Council will implement appropriate and effective measures to compel Israel to halt its adventurous acts immediately.

Deputy Minister Views Increased Foreign Investment

BK3107082993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 31 Jul 93

[Text] Since our country implemented the policy of expanding production cooperation with other countries, foreign investment in Laos has increased noticeably and gradually each year. From 1989 to 1992, foreign investment in the fields of trade and services topped the list, followed by investment in the industry and handicrafts field.

In the first six months of this year, investment in the field of industry and handicrafts topped all foreign investments in Laos. At present, this field covers 24

projects with a combined total investment of nearly U.S. \$33 million, while investment in trade and services has dropped to second place with a total of 30 projects investing more than \$23 million.

Somboun Lasasombat, deputy minister of industry and handicrafts, reported on the foreign investment situation in the field of industry and handicrafts in Laos:

[Begin Somboun recording] From October 1988, when the investment laws were endorsed, to 1992, investment in the field of industry was second out of all foreign investment in Laos, while the field of services topped the list. But if we take a look at the situation in the first six months of 1993, investment in the field of industry has surged to the top. The industry field covers 24 projects with a combined investment total of U.S. \$32,909,000. Next is the field of services and trade, which includes 30 projects with a total investment of \$23,119,000. Although the total number of projects is smaller in the industry field, the investment value is greater than the trade and services field.

In the field of industry, the processing and the textile industries have enjoyed more growth than other industries. The major cause of the expansion is the rising demand from both the local and foreign markets. For example, from 1989 to 1992 the textile industry saw a total of 45 garment factories established at an investment cost of \$31,154,000. From 1989 to 1992 the processing industry attracted 53 projects with an investment of \$62,258,000. Most of the foreign investments are put into businesses in the Vientiane Municipality because of the conveniences in various aspects. [end recording]

Philippines

Manila To Seek Continued U.S. Security Assistance

HK0208051093 Manila THE MANILA CHRONICLE
in English 31 Jul 93 p 7

[Text] Manila will seek assurances from Washington for continued security assistance in armaments and military training when the Armed Forces chief of staff, Gen. Lisandro Abadia, meets with senior American military commanders in the Pacific command in Guam next month. The two countries will also discuss the annual joint civic and military exercises, Balikatan [Shoulder-to-Shoulder Cooperation] in the country late this year.

Sources in the defense and military establishments said the government would like to get assurances from Washington that it would continue providing the country with security assistance. The Philippines continued to enjoy the lion's share in U.S. military assistance to countries in Southeast Asia, despite the pullout of American troops from Subic and Clark last year. The assistance was in the form of foreign military financing (FMF) and international military education and training program (IMETP).

The same source said Abadia would also ask his counterpart in the Mutual Defense Board (MDB), Adm. Charles Larson, to speed up the delivery of due-in equipment, materials and supplies from the FMF under the previous military assistance programs.

President Ramos has confirmed the Aug 8 meeting between Abadia and Larson in Guam, part of the quarterly MDB meeting. "In about a week's time, the chief of staff of the AFP is going to Guam to meet with his U.S. counterpart who is the commander-in-chief of the Pacific command (U.S. Cincpac)," the President told the television program Profiles of Power, which was pre-taped Wednesday afternoon. "This meeting General Abadia and Admiral Larson, with the U.S. as the host, (will) talk about military exercises, the joint interoperability of units and equipment and other related activities." He said these activities will be "a learning process for us... which is very helpful."

Military exercises, training, exchange visits and other military-to-military activities, the President said, are not only part of the Philippine-U.S. mutual defense treaty but also serve as a foundation for greater cooperation to enhance regional security and stability. "Our major concern is the stability of our Asia," said the President, reiterating his administration's policy toward supporting continued U.S. military presence in the region as a stabilizing factor.

Last month, Abadia went to Washington to meet with U.S. Joint Chiefs of Staff Chairman Gen. Colin Powell. He took up the level of U.S. security assistance to the country which has sharply declined since 1992 after the Philippine Senate rejected a treaty, which would have allowed American soldiers in Subic Bay and Clark bases to remain for another seven to 10 years. Abadia believes that drastic decline in U.S. security assistance "can have tremendous impact and far-reaching implications not only to the alliance (between the two countries) but to regional stability and security as well."

The government, however, recognized certain priorities of the U.S. global strategy, like peacekeeping operations in Somalia, Kuwait, and the former Yugoslavia, while there were also tremendous domestic pressures to reduce the Pentagon's budget, notably scaling down overseas bases in the wake of the end of the Cold War.

Ramos Favors Plan for 1994 ASEAN Security Forum

HK0208031493 Manila DWIZ Voice of the Filipino
People's Radio in Tagalog 2200 GMT 1 Jul 93

[Text] President Fidel V. Ramos wholeheartedly supported ASEAN's plan to hold a regional forum in 1994 with the aim of strengthening security in Southeast Asia. The forum will be held during the 27th ASEAN foreign ministers post conference meeting in Bangkok next year. ASEAN members, including the Philippines, Thailand, Brunei, Indonesia, Malaysia, and Singapore, are

expected to attend the forum. ASEAN consultative partners, such as the U.S. and the EC, will also be invited to the meeting.

Ramos Appoints Justice Secretary Peace Adviser
HK3107065793 Quezon City ABC-DWET Television in Tagalog 1000 GMT 30 Jul 93

[From the "ABC-DWET News Program"]

[Text] Today, the president issued Memorandum Order No. 153, which appoints the secretary of justice as the acting advisor to the upcoming peace talks. The justice secretary will only occupy the post temporarily and will be responsible for reviewing the results of the national unification commission's nationwide consultation. Once the amnesty proclamation has been ratified, a new commission will be created to talk with the country's different rebel groups: The Communist Party of the Philippines-New People's Army, the Reform the Armed Forces Movement, and the Moro National Liberation Front.

Secretary Reassigns Newly Appointed Generals
HK0208050093 Quezon City MALAYA in English 1 Aug 93 pp 1-2

[Report by Joy Gruta]

[Text] Eight newly promoted generals were reassigned yesterday, signalling the start of a major revamp in the 160,000-strong Armed Forces. A revamp is also in the offing at the Philippine National Police and will affect regional and provincial commanders, sources said. Defense Secretary Renato S. de Villa appointed Vice Admiral Mariano Dumancas Jr., Navy chief, as the new AFP [Armed Forces of the Philippines] vice chief of staff.

Dumancas, set to assume the position tomorrow, will replace Lt. Gen. Guillermo Flores who retired last May. Maj. Gen. Alfredo Filler, deputy chief of staff, was named commanding general of the Visayas Command, replacing Maj. Gen. Thelmo Cunanan. Cunanan, in turn, will take over the Southern Command from Lt. Gen. Romeo Zulueta, who is retiring.

Rear Admiral Virgilio Marcelo, Philippine Military Academy superintendent, is the new Navy chief. He will be succeeded by Brig. Gen. Rodolfo Estrellado, commander of the Air Force's 15th Strike Wing.

Commodore Armando Madamba, chief for plans and programs, was appointed deputy chief of staff, replacing Filler. Brig. Gen. Rodolfo Dimaano was named new Air Force 15th Strike Wing commander vice Estrellado. He will assume the post on Wednesday. Brig. Gen. Benito Damos was appointed commanding general of the PAF's [Philippine Air Force] Second Air Division vice Dimaano.

Sources said Interior Secretary Rafael Alunan III will announce next week a reshuffle of key regional and

provincial police commanders. Military and police officials said the revamp is to ensure operational effectiveness and to round off careers.

Manila Releases Funds for Rebel Returnee Program

HK0208052093 Manila THE MANILA CHRONICLE in English 2 Aug 93 p 6

[Text] The Department of Interior and Local Governments [DILG] yesterday announced it was releasing P52.6 [Philippine pesos] million to the rebel program of 16 provinces nationwide, for the benefit of 4,856 actual and potential rebel returnees. Lawyer Alberto Bernardo, director of the DILG National Reconciliation Development Program [NRDP], told the CHRONICLE the funds would be coursed through the provincial governments, which will allocate them to rebel returnees, some of whom have already formed themselves into cooperatives engaged in agriculture, agroforestry and other livelihood and income generating projects.

Bernardo said the DILG would also release money to some provincial governments which were targeting the surrender, upon the availability of funds, of around 1,376 potential rebel returnees. He noted that under the rebel returnees programs of the Marcos and Aquino governments, funding was often enmeshed in bureaucratic red tape and rebel registration procedures which were vulnerable to fraud. This, Bernardo noted, was a deterrent to the surrender and return to the mainstream of numerous rebels.

Because of this, the current DILG-NRDP has put in place mechanisms to ensure a faster and fraud-free rebel accreditation and assistance process, in line with the government's declared policy of unconditional amnesty to all rebels, Bernardo said. Under the current fund allocation, P29.6 million will go to 3,480 actual rebel returnees in nine provinces and P23 million to around 1,376 potential rebel returnees in seven provinces.

The largest amount, P20.7 million, will go to 2,472 actual rebel returnees in Lanao del Sur. Other includes the 478 actual rebel returnees of Lanao del Norte, P4.7 million; 191 actual returnees of Davao del Norte, P1.53 million; 144 actual returnees of Sultan Kudarat, P1.2 million; 76 actual returnees in Quirino; 56 in Camarines Norte; 31 each in Ilocos Norte and Misamis Oriental; and one in Muntinlupa, Metro Manila.

The largest amount of potential rebel returnees, P3.4 million, will go to 350 targeted surrenderers in Zamboanga del Norte. Others include 243 potential rebel returnees in Abra, P2.15 million; 250 potential returnees in Basilan, P2.44 million; 220 in Kalinga Apayao, P1.95 million; 142 in Ifugao, P1.46 million; 106 in Misamis Occidental and 78 in Sorsogon.

The DILG-NRDP earlier released P23 million for 2,107 rebel returnees in five provinces this year. This include P10.5 million to 1,330 rebel returnees in Quezon; P6.84

million to 277 rebel returnees in Mindoro Occidental; P2.15 million to 200 returnees in Iloilo; P1.95 million to 200 returnees in Antique; and P1.5 million to 100 returnees in Capiz.

Jean de la Isla, the NRDP planning and research division chief, told the CHRONICLE the funds were channelled to the provincial governments. The fund disbursement, de la Isla added, was being monitored by the Commission on Audit, Technology and Livelihood Resource Center, Cooperative Development Authority and Regional DILG offices.

Bernardo said the rebel returnees were being accredited as authentic by a local authentication processing committee headed by the governor of the province where the rebel was operating, the provincial military commander and provincial police chief. This, he noted, was a departure from past practice, where either the local military or police chief was the sole accreditor of rebels registering for government returnee programs and funds. Bernardo added that the number of steps and processing time for NRDP fund allocations has been reduced, from 29 steps and 30 days to three years under the Aquino government, to only 11 steps and 15 days under the Ramos government.

Bomb Explosions Injure 11 People in South

HK0108043593 Hong Kong AFP in English 0256 GMT 1 Aug 93

[Text] Isabela, Philippines, Aug 1 (AFP)—Eleven people were injured in a wave of bomb explosions in this southern Philippines town, police said Sunday. Two homemade bombs and three grenades went off within minutes of each other late Saturday in this provincial capital of Basilan island, hitting a government health clinic, a candle factory, the town square, a coconut meat warehouse and a local neighborhood, investigators said.

Police named no immediate suspects. But the marine commander of the southern Philippines, Brigadier General Guillermo Ruiz, noted that the bombings occurred on the eve of a planned marine sweep of suspected Moslem bandit hideouts in the nearby town of Lantawan.

The injured included two factory security guards and bystanders who had rushed out of their homes to check on the first blast, police said. The blasts caused minimal damage to property. Basilan is a traditional stronghold of Moslem guerrillas and bandits who engage in kidnapping and piracy.

Bombings Kill 2, Wound 25

HK0208031293 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 1 Jul 93

[Text] Two persons have been killed while 25 others have been seriously wounded in two separate bombing incidents in Cagayan de Oro City and Isabela, Basilan. Chief Superintendent Job Mayo Jr., police commander

of Western Mindanao, has said that Muslim rebels allegedly set the bombs in retaliation for police and military operations in the region.

The two casualties have been identified as Celso Tumlos and Indang Mabulay, who were killed by grenade shrapnel. Police have been investigating the bombing incidents around the clock.

Thailand

Minister Returns From U.S. Copyright Talks

Confident Problems To Be Solved

BK3107034693 Bangkok Radio Thailand Network in Thai 0000 GMT 31 Jul 93

[Text] Speaking to reporters upon his arrival at Bangkok Airport at midnight yesterday, Deputy Prime Minister Suphachai Phanitchaphak said that the United States has postponed its decision to take any trade retaliatory measures against Thailand for another 30 days because it is satisfied with the outcome of the negotiations which lasted for three days. He revealed that the trade negotiations concentrated on four major issues. The United States is very satisfied with the Thai Government's serious and consistent efforts in suppressing copyright violations. Regarding a disagreement on several legal aspects of the draft bill on amending the Copyright Act, which has already been placed on the agenda of the House of Representatives, the U.S. side has been informed that Thailand is ready to solve the problem within the framework of GATT. As for protection of copyrighted computer software, the two sides have agreed to hold another round of talks after the new Copyright Act is promulgated. Touching on protection of pipeline drugs, the Thai side reaffirmed that protection for such products will not cover a period of more than five years. The last issue was the U.S. request for Thailand to reduce the tax imposed on imported movies, which is higher than those charged by neighboring countries. The deputy prime minister said that in principle Thailand agrees with the proposed readjustment of the movie tax, but this must be done within GATT regulations concerning import taxes on intellectual property products. Otherwise, it will affect the domestic film industry.

[Begini Suphachai recording] At the end of the talks, the U.S. trade representative [USTR] agreed that Thailand's case will be reconsidered in 30 days. On 31 July, the USTR will not announce any trade retaliation against Thailand. During this 30-day period, we will work out a memorandum on the minutes of the meeting for exchanging and readjusting the tax on imported movies. The USTR said that the United States is very satisfied with every effort made by Thailand and noted that we have done a good job, better than their expectations. However, they have not said that they will delete our country from the U.S. Priority Foreign Country (PFC) watchlist. But they told us that what we have done

deserves being lifted from PFC status. They will reconsider our case in the next 30 days. I believe that the adjustment of the imported movies tax and the outcome of the negotiations will have an influence on their decision. There should not be any big problems in this regard. This is the first time in the past three or four years that Thailand will have a really good opportunity to remove itself from the PFC. This is what they said and something we did not expect to achieve before. We told the high-level officials of the U.S. Government about the actions we have taken in connection with suppression of copyright violations and promulgation of new laws, as well as sincerity and a willingness to comply with the international practices concerned. They will review our case until late August. The possibility is high, higher than when we set out, that we will be off the PFC list. [end recording]

During the negotiations, the United States asked Thailand to play a role in persuading other ASEAN member countries to recognize the significance of the APEC meeting so that ASEAN will be able to contribute to further expanding the world economy and trade.

Confident of Removal From U.S. List

*BK0208015393 Bangkok BANGKOK POST in English
2 Aug 93 p 26*

[Text] Last week's Thai-US trade talks in Washington provided the first glimmer of hope that the immediate threat of sanctions against Thailand will be lifted, Deputy Prime Minister Suphachai Phanitchaphak said at the weekend. Speaking to reporters after his return to Bangkok at midnight on Friday, Dr Suphachai, who led the Thai delegation, said the talks yielded more than expected.

Before the delegation left for Washington, the Thai side only expected to remain on the list of trading partners facing the threat of immediate sanctions, he said, but after the talks between Dr Suphachai and US Trade Representative Mickey Kantor ended on Wednesday, the delegation had hopes that Thailand could be removed from the Priority Foreign Country (PFC) list to a Priority Watch List (PWL), facing less of a threat.

Dr Suphachai said the chances of removal from the PFC list at the end of the 30-day clarification and monitoring period that Mr Kantor set on Wednesday was "almost 100 percent" certain. The USTR had earlier said it would decide on July 31 whether to retaliate against Thailand. Dr Suphachai said the USTR would now propose to the National Security Council and the Committee on International Trade to remove Thailand from the PFC list and would announce the decision on August 30.

"The USTR currently has not yet made the decision, but Mr Kantor said the recent efforts by Thailand were enough to consider removing the country from the PFC list," he said. If Thailand is moved to the PWL list, it will try to demonstrate to the US that its performance on intellectual property protection is better than that of many other

countries on the list, he said. The Government has set a target of also being removed from the PWL.

During August, Thailand and the US will exchange a note on the discussions between Mr Suphachai and Mr Kantor. The note will include the three disputes that the US requires Thailand to resolve: computer software protection and the Copyright Law, pipeline protection for pharmaceuticals that are already marketed elsewhere but not yet in Thailand, and the reduction of tariffs on exposed film.

Mr Suphachai said a consultative working group of Thai and US officials would be set up to solve the differences over computer software. Thailand has had no experience in dealing with pirated software, he claimed, and it is difficult for Thai officials to identify them. The US will instruct Thai officials on how to clamp down on illegal software.

Thailand will amend the Copyright Law to make it comply with the draft agreement on Trade-Related Intellectual Property Rights of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) talks. He said the US understood that the draft had been submitted to Parliament and would have its first reading during the next session in October. He said Thailand would give five years of "pipeline protection" to pharmaceutical products, including a two-year safety monitoring period, a maximum two-year extension for complicated drugs and five years of exclusive marketing rights for patent owners.

The US also demands a tariff reduction on exposed film from 30 baht per metre to a level comparable to other ASEAN countries. Thailand agreed to consider the reduction because its tariff on exposed film is the highest in the region.

A Thai team led by Commerce Permanent Secretary Phatchara Itsarasena is due to meet a US team in Geneva to work out a programme for the tariff reduction. Mr Suphachai said the tariff reduction had been raised at the talks but it did not have much impact. The US said there had been an agreement between Commerce Minister Uthai Phimchaichon and Mr Kantor for the reduction in early May, when Mr Uthai led a delegation to Washington for trade talks. However, Mr Uthai did not inform the Cabinet or public about this agreement, Mr Suphachai claimed.

During his visit to Washington, Mr Suphachai also met the US Transport Secretary for talks on aviation rights. He said the US said both countries faced limited aviation rights from the other. Mr Suphachai said he would speak to the International Economic Relations Policy Committee and the Transport and Communications Ministry about this issue.

Issues Statement on Trade Talks

BK3107153493 Bangkok Radio Thailand Network in Thai 1200 GMT 31 Jul 93

[Statement by Deputy Prime Minister Suphachai Phanitchaphak at Don Muang Airport on 30 July—recorded]

[Text] During this visit to Washington D.C., I met several cabinet members of President Clinton's administration, especially those in charge of economic matters. We discussed further expanding U.S.-Thai economic relations. I discussed the possibility of renewing talks between Thailand and the United States on aviation rights with the U.S. secretary of transportation. Thailand felt that the United States was not being fair to it. At the same time, the United States felt Thailand was not. I therefore proposed that we discuss this problem. Thailand complained about only getting a small number of flights to the United States. The United States explained that it did not restrict flights, but Thailand reduced the flights itself. The United States noted that it had reduced the number of flights, but asked to fly big-body planes. Thailand allowed it to fly big-body planes, but told it not to pick up more passengers. Well, this is a problem of aviation rights, concerning flights, passengers, plane capacity, and routes. I think we should begin talks on this issue. Thailand should consider increasing flights to the United States.

I also met the U.S. secretary of commerce. We discussed the promotion of U.S.-Thai joint investment and U.S. competition with other countries who invest in car manufacturing in Thailand such as Japan and Korea. A major U.S. company—I will not mention its name—wants to invest in car manufacturing here, but there is still a problem with the interpretation of what car categories could result in higher taxation when compared with taxation on cars from other countries. For example, the production of jeeps is subjected to lower taxation than ordinary cars. Anyway, I think we must come up with an agreement first if the specification of American cars is not in line with what we have specified for taxation. I will take this matter up for study since it involves the expansion of U.S. investment in Thailand, which is what we have been trying to achieve.

I met Vice President Al Gore, who knew about Thailand—he said he wrote an essay on Thailand when he was young. He said he was impressed by Thailand's economic growth. He noted the rapid growth in trade between Thailand and the United States and he made clear that he wanted this trend to continue. He made it clear that it is his intention to see Thailand and the United States solve their problems. He understands that Thailand has made great efforts to solve the problems. He wants our two countries to diversity cooperation in order to cover areas concerning human rights, environmental protection, and so on.

Copyright Talks Detailed

BK3107052293 Bangkok THE NATION in English 31 Jul 93 p B1

[Text] Deputy Prime Minister Suphachai Phanitchaphak played a dangerous game this week when he staked his political career with the uncertain outcome of the Thai-US trade disputes. Yet he sailed through the ordeal almost flawlessly.

Suphachai led the Thai negotiating team to Washington DC last week with a mandate to avert the possible US economic sanctions against the Thai exports. Both countries have already been in simmering conflict over intellectual property right protection for several years. On the other hand, he heard the local protests about any measures to bow to the US demand for the increased protection of US industries.

The timing of his Washington visit was also crucial. Suphachai must succeed in talking the US Trade Representative [USTR] Mickey Kantor into lifting Thailand out of the US Priority Foreign Country (PFC) status. July 31 was the deadline when Kantor will announce whether the US would reciprocate Thai goods through prohibitive tariffs because of the alleged lack of adequate intellectual property right protection. If the United States were to sanction Thai exports under Special 301 of its trade laws, Suphachai would have become a likely target for attacks that could have ruined his career.

But Suphachai emerged with a big V sign, claiming success after completing his talk with Kantor on Wednesday. The atmosphere of the talks could not have been more pleasant. Suphachai said, "We have come into terms on several issues. The possibility is high that the United States would lift the sanctions on Thai business in another month."

Dr Thirana Phongmakaphat, chief economic adviser to Suphachai, said the US trade officials were positive towards the deputy prime minister and that they would be withdrawing Thailand from the US' PFC status soon. He said the 30-day delay in announcing the recommendation about Thailand's status was only meant to provide Kantor some time to put forward the outcome of his talks with Suphachai to the Congress.

"The 30-day period is better than having the decision delayed until next April (when the PFC is to be reviewed again)," Thirana asserted. But a close aide to Commerce Minister Uthai Phimchaichon translated the time-frame differently. "I think Suphachai's trip would rather create a negative impact than a positive one. After meeting with Uthai last May Kantor decided to delay the sanction on Thai exports for 90 days, but why is it only 30 days this time," he asked yesterday.

Many should recall when Uthai volunteered to go to the United States to soften the hard-core attitude of Kantor in April. Kantor, the former lobbyist and lawyer, is widely known as the tough negotiator with the result-oriented policy. Still, his attitude was toned down by

Uthai's rhetorics, Uthai said he ended his trip with no commitment and more importantly, Washington decided to delay the sanctions for another 90 days.

Suphachai said the US has extended its ruling over intellectual property right disputes by another 30 days in order to allow Thailand more time to demonstrate how it will resolve the remaining issues ranging from software computer, pipeline protections on drugs under the so-called safety monitoring period to the Thai government's move to cut the tariffs on exposed film. During the period, the Thai authorities will have to exchange notes with the US officials regarding to the progress made upon these three points.

Asked whether the US trade official, by then, would only reduce the Thailand status from the most serious PFC watchlist to the priority watch-list (PWL), Dr Thirana said, "If that is the case, there should be no problem. PWL is not that serious.

Equipped with a line of tactics to counter the US offensive, Suphachai began his first day's visit by raising the bilateral air aviation rights, scrapped more than three years ago. He then told Kantor that it would be inappropriate for the Thai Prime Minister Chuan, to travel to Seattle to attend the next Asia Pacific Economic Cooperation (Apec) meeting with a PFC being labelled on Thailand. President Bill Clinton wants to upgrade the Apec forum to a meeting of heads of states.

Suphachai kept his last trump card the bilateral Treaty of Amity close to his chest. He would ask Kantor to revise certain contexts in the bilateral agreement, which might discriminate non-US citizens doing business in Thailand, in the event that he needed to make a counter move. But he decided at the last minute not to raise the matter at the Wednesday's meeting for fears of disrupting the mood of the talks, which was highly positive.

Despite all the scenarios outlined by a team of well-versed negotiators, including the veteran Permanent Secretary Phatchara Itsarasena, Suphachai came to a big surprise when the USTR Kantor repeated its request for a tariff cut on exposed film from Bt30 per metre to the level similar to other Asean countries'. The US counterpart claimed that Uthai had already promised to cut the duty on exposed film when he met with him last May. But Suphachai brushed the issue aside and asked to have the matter considered in Bangkok instead.

"The tariff cut was not in my agenda," Suphachai quipped. Uthai's aide defended that Uthai never made such a commitment. "It was merely a letter acknowledging the US request," he said. It was later understood that the US trade officials decided to delay the sanctions, partly because of Uthai's fresh proposal to cut the tariffs on exposed film.

What about Suphachai during his latest Washington's trip? A minister's adviser who asked on condition of anonymity is skeptical whether Suphachai has offered

anything more than a five-year protection on pipeline drugs and some further amendments of the copyright bill.

Spokesman Views U.S. Trade Talks, Stresses GATT

BK3107095993 Bangkok NAEON in Thai 31 Jul 93 p 5

[Text] Commenting on the U.S. announcement that it will postpone for another 30 days the decision on whether or not to remove Thailand from the PFC [Priority Foreign Country] watchlist, Aphisit Wetchachiwa, spokesman for the Prime Minister's Office, said the United States decided not to retaliate against Thailand immediately because it wanted more time to assess the issue. Concerning the reduction of import duties on movies or amendments to Thai laws, the spokesman said Thailand can comply with the U.S. demands only when they comply with international standards and practice or with the GATT rules.

"We must admit that U.S. concerns cover many areas, including insurance and banking. But we have never changed our laws to please any particular trading partners. We follow international norms and practices; that is our principle. We think the United States understands our position. Talks are held when there is a conflict of interests between trading partners; this is natural," he said.

He said that because there will be more talks, the United States can always use the PFC list to increase its bargaining power in future trade negotiations with Thailand. The United States wants to solve the problem of trade deficits, which is its own internal affair. Thailand, meanwhile, upholds international norms and prefers to go through multilateral trade talks.

Interior Minister Views KR Seizure of Border Area

BK0208091393 Bangkok Radio Thailand Network in Thai 0530 GMT 2 Aug 93

[Text] Speaking to correspondents about the Khmer Rouge seizure of the area opposite Chong Anma border pass—under the control of UNTAC [UN Transitional Authority in Cambodia] and the Provisional National Government of Cambodia—Interior Minister General Chawalit Yongchaiyut said:

[Begin recording] [Chawalit] The Khmer Rouge troops have seized the area opposite Chong Anma border pass. They have not crossed the border into our territory. UNTAC troops have been forced to flee into our territory, while the central government's soldiers were also driven out of the area. So far, the incident has not affected our people. Authorities at the border are trying to determine Khmer Rouge intentions.

[Unidentified correspondent] Thai businessmen are doing business at Chong Anma...

[Chawalit, interrupting] We have opened the border with Cambodia at different points to enable our goods to flow into that country and alleviate the hardship of the Cambodian people. The fact that the incident took place near the border pass does not mean that we were involved. Thailand is not involved in the Khmer Rouge move.

[Unidentified correspondent] They said we are supporting the Khmer Rouge.

[Chawalit] We want to help the Cambodian people improve their livelihood. Whoever controls the area is their business. If they give us trouble, though, we will simply close the border pass. [end recording]

Prasong Expects 1993 Opening of PLO Office

*BK0208012993 Bangkok THE NATION in English
2 Aug 93 p 3*

[Text] The Palestine Liberation Organization (PLO) will probably open an office in Bangkok late this year, Foreign Minister Prasong Sunsiri said yesterday. The ministry, he said, still has to determine the proper status to assign the PLO presence in Thailand: an office or an embassy. The minister was speaking after a brief discussion at Don Muang International Airport with PLO chairman Yasir 'Arafat, who told reporters he was en route to Egypt.

The Chatichai government gave approval in principle to the PLO opening a Bangkok office in 1991, but it was put on hold because of Palestinian support for Iraq in the Gulf War. "It is time now because the situation has changed a lot," Prasong said, adding that he would recommend that Cabinet endorse the proposal. He expects the PLO office to open late this year.

An informed source acknowledged yesterday that, because of Thailand's bilateral ties with Israel and Lebanon, 'Arafat's visit and the government's decision to sanction a PLO office are sensitive matters. The Foreign Ministry initially intended that the meeting between Prasong and 'Arafat should be confidential, the source said. Thailand was the last stop on 'Arafat's Asian tour, which also took in North Korea, Malaysia and Vietnam.

Prasong had planned to host a dinner for 'Arafat, but the PLO chairman scaled down his visit to just three hours because he wanted to return to Lebanon, where his people have been under fierce bombardment by Israel, a Foreign Ministry spokesman said on Friday. 'Arafat, who arrived here from Hanoi, told reporters, "We have to wait and see if it will continue or not, if they [Israel] accept the American mediation and stop this aggression. "We hope so. Otherwise the whole peace process will be threatened," he said.

Reinforcement troops sent into Israel's self-declared "security zone" in southern Lebanon began withdrawing yesterday after a ceasefire took effect on Saturday, REUTER reported. The truce came into effect after the United States won an agreement that pro-Iranian

Hizbollah and Palestinian guerrillas would stop their rocket attacks on Jewish civilian settlements. Talking to reporters in Kuala Lumpur last week as the Israeli air and artillery offensive was in progress, 'Arafat warned that the assault could scuttle ongoing Middle East peace negotiations.

Prasong Welcomes 'Arafat, Views Burma Attack

*BK0108150893 Bangkok Radio Thailand Network in
Thai 1200 GMT 1 Aug 93*

[Text] The leader of the Palestine Liberation Organization [PLO], Yasir 'Arafat, this morning spent about an hour at the Bangkok Airport's VIP room during a stopover in Thailand before continuing his trip to attend the Middle East peace talks in Egypt. He was welcomed by Foreign Minister Squadron Leader Prasong Sunsiri.

Reporting on their meeting, Squadron Leader Prasong Sunsiri said that the PLO leader offered his best wishes for their majesties the king and queen. Prasong said that they exchanged views on the Middle East situation. He noted a positive trend with a possible agreement on a ceasefire in Lebanon. The PLO leader also noted a positive trend in the Middle East peace talks, but cautioned that there must be more efforts and patience. The Thai foreign minister said that an improved situation, or peace, in the Middle East will benefit the countries in ASEAN as well. Squadron Leader Prasong talked about the recent conference of ASEAN minister in Singapore and said he noted that the United States was also adopting a more positive attitude, and that U.S. Secretary of State Warren Christopher would soon meet the representative of the PLO in Jerusalem.

[Begin Prasong recording] He believed that there was a positive trend for peace, but said the Middle East problem involved a long history and therefore there must be more efforts and patience. He did not think a settlement rapidly could be achieved. I told him that an achievement in resolving this complicated problem would carry an impact on this region as well. I wished him success in the coming talks. [end recording]

Concerning the PLO leader's request to set up a PLO office in Thailand, the foreign minister said the request would be forwarded to the Thai Government for consideration. The PLO leader was reportedly very happy with Thailand's position.

On the same occasion, the foreign minister also granted an interview on the attack at the Burmese border. He said the incident was at a local level and the issue was settled. The foreign minister said he will visit Burma soon and the issue will be brought up for discussion. He stressed the government's policy to uphold peaceful and good relations with foreign countries. Any dispute or problem should be settled in the manner that mutual trust is not hampered.

Vietnam

Vo Van Kiet Meets With U.S. Trade Delegation

*BK3007143193 Hanoi VNA in English 1422 GMT
30 Jul 93*

[Text] Hanoi VNA July 30—Prime Minister [P.M.] Vo Van Kiet met in Ho Chi Minh City Thursday with a delegation of 17 US biggest companies led by ex-Ambassador William Sullivan, president of the International Center for Development Policy (ICDP).

With the prime minister were Deputy Foreign Minister Vu Khoan, and Director of the Ho Chi Minh City's External Relations Service Vu Hac Bong. Speaking to P.M. Kiet, ex-Ambassador W. Sullivan highlighted the results of the useful and satisfactory meetings with Vietnam's concerned offices in the past three days.

He held that his delegation visit to Vietnam at this moment was an opportunity for the US companies to understand Vietnam and prepare to take part in projects financed by international financial organizations following President Clinton's July 2, 1993 statement.

The US official expressed his regret for the late arrivals of the US companies in doing business with Vietnam, and said that the normalization of the US-Vietnam relations would be a good basis for the long-term, effective cooperation of the US companies with Vietnam.

He highly valued the recent cooperation between Vietnam and the US MIA office in Hanoi and affirmed the US companies' support for President Clinton's July 2, 1993 statement, and promised to step up effective activities to urge the Clinton administration to lift its embargo against Vietnam.

For his part, Prime Minister Vo Van Kiet welcomed the high-powered American trade delegation, considering its visit a significant event in the process of improving US relations with Vietnam. Therefore Vietnam welcomes President Clinton's July 2, 1993 statement, he said.

After introducing the socio-economic situation in Vietnam, the prime minister encouraged the US companies to do business with Vietnam, especially in the fields of oil and natural gas, telecommunication, infrastructure.

Prime Minister Vo Van Kiet affirmed: Vietnam will do its best to normalize the Vietnam-US relations soon, and hopes that the US Government will do the same. That will be beneficial to the people of both countries, and to peace, stability and development in the world.

Hanoi Radio Reports

BK0208054393 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 31 Jul 93

[Text] On 29 July a group of 21 representatives of 17 American companies toured Ho Chi Minh City as part of

its working visit to Vietnam. The group is led by William Sullivan, chairman of the International Center for Development Policy.

While in the city, the group was received by Prime Minister Vo Van Kiet, met and worked with Minister of Commerce Le Van Triet and Ho Chi Minh City People's Committee Chairman Truong Tan Sang, and exchanged views with Vietnamese businessmen. It also toured the Tan Thuan export processing zone at Nha Be and some other places in the city.

On behalf of members of the group, Sullivan expressed the hope that the visit to Vietnam and Ho Chi Minh City this time would be an opportunity for the American people, especially American business circles, to get to know more about Vietnam so as to work out plans for their participation in the Vietnamese market when conditions permit.

On the afternoon of 31 July, the group left for home, successfully concluding its working visit to Vietnam.

Spokesman Condemns Israeli Attacks on Lebanon

*BK3007145993 Hanoi VNA in English 1439 GMT
30 Jul 93*

[Text] Hanoi VNA July 30—Vietnam condemns all acts of causing tension in the Middle East and calls on Israel to immediately stop its military attacks on South Lebanon and to respect independence, sovereignty and territorial integrity of Lebanon. This comes in a statement released here today by the spokesperson of the Vietnamese Foreign Ministry, criticizing Israel for its attacks on South Lebanon, which caused 111 people dead and 406 others injured as reported by foreign sources. The statement described these attacks as the largest campaign against an Arab country since 1985. 'The acts have grossly violated Lebanon's sovereignty and territorial integrity and trampled upon the UN charter and neglected the world opinion, thus running counter to the common trend to settle conflicts by negotiations and undermining the current peace process in the Middle East,' the statement says. It comes to conclusion that this use of violence fails to benefit the present negotiations for a fair and reasonable solution to the Middle East issue.

'Arafat Arrives in Hanoi, Meets With Le Duc Anh

BK3007131293 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 30 Jul 93

[Summary] "Dear friends, at the invitation of SRV President Le Duc Anh, a high-level Palestinian state delegation led by president Yasir 'Arafat arrived in Hanoi on 30 July for an official friendship visit to Vietnam."

All major roads in Hanoi as well as the Presidential Palace were decorated with the Vietnamese and Palestinian national flags and banners welcoming the Palestinian delegation. An official ceremony was solemnly held at the Presidential Palace to welcome the Palestinian guests.

"Comrade Nguyen Viet Dung, chief of the Presidential Office, was on hand at Noi Bai International Airport in Hanoi to welcome president Yasir 'Arafat and his entourage upon their arrival."

At precisely 1600, the motorcade escorting president Yasir 'Arafat and his entourage arrived at the Presidential Palace where the official welcoming ceremony took place.

"SRV President Le Duc Anh, Deputy Prime Minister Nguyen Khanh, ministers, and other high-ranking party and state officials attended the ceremony. Also present at the function were members of the diplomatic corps, representatives of international organizations in Hanoi, and a large number of foreign and domestic reporters.

"As the motorcade stopped, President Le Duc Anh walked to the door of the car carrying president Yasir 'Arafat and hugged him. Young Hanoi girls presented fresh bouquets to the Palestinian president as an indication of the hospitality of the people of the capital.

"Afterward, President Le Duc Anh invited president Yasir 'Arafat to step onto the honorary stand while the military band played the national anthems of the two countries."

Afterward, President Le Duc Anh invited president Yasir 'Arafat to review the honor guard. Next, he introduced president 'Arafat to high-ranking party and state officials as well as to members of the diplomatic corps and foreign dignitaries. After the official welcoming ceremony, President Le Duc Anh held cordial talks with president 'Arafat at the Presidential Palace.

"Dear friends, to the Vietnamese people, His Excellency Yasir 'Arafat, president of the Palestinian state, chairman of the Palestine Liberation Organization Executive Committee, and the outstanding leader of the PLO, is a close friend of Vietnam. President 'Arafat has visited Vietnam on many occasions. His current visit to Vietnam reasserts the friendly relations and traditional solidarity between the Vietnamese people and the Palestinians, as well as people of other Arab countries who are struggling for the common goal of peace, national independence, cooperation, and development.

"We wish president Yasir 'Arafat and his entourage splendid success in their official friendship visit to Vietnam."

Commentary Hails 'Close' Relations

*BK3107054493 Hanoi Voice of Vietnam in English
1000 GMT 30 Jul 93*

[Station commentary]

[Text] A state delegation of Palestine headed by president Yasir 'Arafat arrived in Hanoi on Friday for an official visit to Vietnam. On this occasion Radio Voice of Vietnam brings you a review of relations between Vietnam and the Palestine.

For many years Vietnam and Palestine have had very close relations. The two countries have encouraged each other in the past struggle for national independence and freedom. In 1976, the Palestinian Liberation Organization (PLO) set up a representative office in Vietnam. Since then, the relations between the two countries have constantly improved and developed. On the occasion of the visit to Vietnam by president Yasir 'Arafat, ambassador al-Masri told the correspondent of the Army newspaper in Hanoi that the Palestinian people highly value and are grateful to the Vietnamese people for their solidarity and support in the revolutionary cause of the Palestine. The ambassador noted that not only Vietnam's concrete support for the Palestine, but also the whole revolutionary cause, the national independence and freedom of Vietnam, are great encouragement to the Palestinian people.

To date, the Vietnamese Government and people have constantly supported the Palestine in setting up a new independent and sovereign state. It was stated by Deputy Foreign Minister Nguyen Dy Nien when he met president Yasir 'Arafat in Tunisia on 16 July. The Vietnamese diplomat then served a notice that the establishment of diplomatic relations between Vietnam and Israel does not affect the principal friends of Vietnam. President 'Arafat's current visit is to show the president's admiration and support to the process of renovation in Vietnam, as well as the solidarity of the Palestine towards the Vietnamese people.

Le Duc Anh Hosts Banquet

*BK3007153593 Hanoi VNA in English 1500 GMT
30 Jul 93*

[Text] Hanoi VNA July 30—Vietnamese State President Le Duc Anh gave a banquet at the presidential palace here this evening in honour of Yasir 'Arafat, president of the state of Palestine and chairman of the Palestine Liberation Organization (PLO), and his party on a current official visit to Vietnam. Among those present at the banquet were Deputy Prime Minister Nguyen Khanh, Foreign Minister Nguyen Manh Cam, and other ministers. President Le Duc Anh and president Yasir 'Arafat delivered speeches at the banquet.

An artistic performance was given in honour of the Palestinian guests.

Hanoi Radio Reports on Banquet

BK0108141393 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 30 Jul 93

[Text] Dear friends, at the Presidential Palace in Hanoi on the evening of 30 July, SRV President Le Duc Anh hosted a banquet in honor of Yasir 'Arafat, president of the State of Palestine and chairman of the Palestine Liberation Organization [PLO], and other members of the high-level Palestinian State delegation currently on an official visit to Vietnam.

Also attending the function were Comrades Nguyen Khanh, deputy prime minister; Nguyen Viet Dung, chief of the Presidential Office; and many other high-ranking officials of our party and state.

In his speech at the banquet, President Le Duc Anh said: Your Excellency Yasir 'Arafat, president of the State of Palestine and chairman of the PLO; dear members of the Palestinian State delegation; dear comrades and friends:

On behalf of the Vietnamese people, state, and government, I warmly welcome the high-level Palestinian State delegation led by His Excellency Yasir 'Arafat, the outstanding leader of the PLO and a close friend of Vietnam currently on an official friendship visit to our country. The Palestinian delegation has also brought to our country the sentiments, solidarity, and friendship of the fraternal Palestinian people.

President Le Duc Anh stressed: While implementing the unswerving open door foreign policy, the Vietnamese people and state uphold their faithful friendship with the Palestinian people.

President Le Duc Anh sincerely thanked the Palestinian people, the PLO, and His Excellency Yasir 'Arafat for their valuable support of the Vietnamese revolution. President Le Duc Anh asserted: Vietnam resolutely supports the just struggle of the fraternal Palestinian people and holds that a just and rational solution for long-term peace and stability in the region must meet the fundamental national rights of the Palestinian people, including the rights to self-determination, repatriation, and the setting up of an independent state of Palestine. In this context, Vietnam welcomes the Middle East peace conference and strongly condemns all schemes aimed at abandoning the implementation of resolutions nos. 242 and 338 of the UN Security Council.

President Le Duc Anh expressed Vietnam's support for the Palestinian people in their demand for a cessation of Israeli acts of terrorism and violations of human rights in the Israeli-occupied territories, especially in Southern Lebanon at present.

In concluding his speech, President Le Duc Anh said: Your Excellency Yasir 'Arafat, dear members of the Palestinian State delegation, dear comrades and friends: we are very happy to see that the relations of friendship and solidarity built and fostered by our two peoples during the past decades have developed consistently. We

are convinced that this visit to Vietnam by president Yasir 'Arafat and the Palestinian state delegation will significantly contribute to consolidating and strengthening the existing fine relations between our two peoples. With this firm belief, I propose a toast for ever greater achievements by the Palestinian people under the leadership of the PLO led by president Yasir 'Arafat. I wish the Vietnam-Palestine relations of solidarity, friendship, and cooperation further consolidation and development. I wish president Yasir 'Arafat and the distinguished Palestinian guests good health. I also wish good health to all comrades and friends.

In his reply speech, His Excellency Yasir 'Arafat said: Dear esteemed President Le Duc Anh, dear comrades and friends, dear distinguished guests: In the heroic land of Vietnam, on behalf of the Palestinian people and members of the Palestinian state delegation, and on my own behalf, I would like to express my cordial greetings and my gratitude to you comrades and friends for your warm welcome and hospitality extended to us upon our arrival in the beautiful country of Vietnam. We are very elated to have the chance to visit beautiful Hanoi again—Hanoi the pillar of Vietnam, Hanoi the city of President Ho Chi Minh, and Hanoi of the unyielding people—we would like to convey our warm greetings to the people of Hanoi.

After reviewing the Palestinian people's arduous struggle in the Israeli-occupied territories during the past decades and the difficulties and achievements of the PLO's unyielding struggle, president Yasir 'Arafat condemned the current terrorist acts of Israel in southern Lebanon.

Dealing with the Middle East peace talks, president 'Arafat called for the cosponsoring nations of the peace talks to exert more pressure on Israel to force it to comply with the procedures and principles of the talks and to cease its bombardment of Southern Lebanon.

In conclusion, president Yasir 'Arafat said: Dear esteemed President, dear comrades, friends, and distinguished guests: Our people have received support from friendly nations and peoples, including the Vietnamese people, to continue our struggle—with all efforts and sacrifices—to stop Israeli occupation, liberate our territories and the Holy Land; regain our legitimate national rights including the rights to repatriation, self-determination, and the setting up of an independent State of Palestine with Jerusalem as the capital.

President Yasir 'Arafat said: Dear esteemed President, dear comrades and friends, I propose a toast for the relations of friendship and cooperation between the Palestinian and Vietnamese peoples and between the State of Palestine and the SRV. I wish President Le Duc Anh good health and all comrades and friends good health. Long live the Vietnam-Palestine friendship.

After the banquet, president Yasir 'Arafat and the Palestinian guests, SRV President Le Duc Anh, Deputy Prime Minister Nguyen Khanh, and high-ranking officials of the Vietnamese party and state attended a special

show performed by a Vietnamese artistic troupe to welcome the Palestinian guests.

'Essay' Stresses Economic Ties

BK3107094193 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 31 Jul 93

[*"Essay" by Diep Anh: "Relations Between Vietnam and Palestine"; from the "International Topic" program*]

[Text] For many years, our people have stood by the legitimate struggle of the Palestinian people, who have assembled in the Palestine Liberation Organization, PLO, for national independence and freedom and for the right to self-determination in their beloved country. The close feeling between Vietnam and Palestine is the feeling of peoples who always have to fight in hard and long struggles and support each other in their national undertakings.

The visits to Vietnam by PLO Chairman Yasir 'Arafat in 1970, 1981, 1989, and 1991, and the visit by Mrs. (Suha) 'Arafat in 1992 are important events in this relationship. Before that, in the early 1960's, Vietnam and the PLO established diplomatic relations. The PLO set up its permanent office in Hanoi, an important connection between the two nations. In 1988, right after the formation of the state of Palestine, we recognized it and changed the PLO Representative Office into the Embassy of the state of Palestine.

Although it has to concentrate fully on its liberation war, Palestine has reliable economic and scientific potential to broaden economic cooperation with many countries, including Vietnam. Palestine has many excellent specialists in oil and gas, road and housing construction, mineral exploitation, and building materials production. It also has a state organ dealing with foreign economic cooperation and has relations with many countries and international organizations.

In April 1990, the head of the PLO Economic Commission visited Vietnam. He signed a memorandum on economic, commercial, scientific, and cultural cooperation with Vietnam. The recent visit to Vietnam by representatives of the state of Palestine, led by Mrs. (Suha) 'Arafat, included many businessmen. The purpose of the visit was to increase their knowledge of economic cooperation between Palestine and Vietnam.

This time, we receive Chairman 'Arafat's Vietnam visit in the new environment of our national construction and in the hope that the legitimate struggle of the Palestine people will be successful. And in that way, it is possible to say that the two countries will open a new page; that is, economic cooperation for national development.

The Vietnamese people are happy to receive Chairman Yasir 'Arafat and other distinguished guests in the high-ranking delegation of the fraternal Palestine people in their official visit to our country. We sincerely wish the Palestine people an early victory in their consistent and

brave fight. We hope the Vietnam-Palestine unity is a long-lasting and developing one.

'Arafat Holds Further Talks

BK3107110793 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 31 Jul 93

[Text] A Vietnam Radio Station correspondent reports that this morning, His Excellency Yasir 'Arafat, president of the state of Palestine, and visiting members of the high-ranking delegation of the state of Palestine visited President Ho Chi Minh's mausoleum. The delegation's garland carried the words: "In remembrance of Great Leader Ho Chi Minh." State Presidential Office Director Nguyen Viet Dung accompanied the delegation.

At 0900, President Le Duc Anh, who led our government delegation, held talks in the Presidential Palace with the high-ranking delegation of the state of Palestine, led by president Yasir 'Arafat. Attending the talks on the Vietnamese side were Deputy Prime Minister Nguyen Khanh, Foreign Minister Nguyen Manh Cam, State Presidential Office Director Nguyen Viet Dung, and other high-ranking party and state officials.

Details on 'Arafat-Le Duc Anh Meeting

BK3107150193 Hanoi VNA in English 1457 GMT 31 Jul 93

[Text] Hanoi VNA July 31—President Le Duc Anh held talks with Palestinian president Y. 'Arafat at the Presidential Palace here this morning.

Present on the Vietnamese side were Deputy Prime Minister Nguyen Khanh, Foreign Minister Nguyen Manh Cam, head of the President's Office Nguyen Viet Dung, and Minister, Chairman of the Vietnam State Committee for Cooperation and Investment Dau Ngoc Xuan.

On the Palestinian side were Hani al-Hassan, and Saqr Habash, Central Committee members of the Palestinian National Liberation Movement (Fatah) Bakr 'Abd-al-Mun'im, Fatah Revolutionary Council member Sa'id al-Masri, Palestinian ambassador to Vietnam and Khalid Salam, economic advisor to the president.

At the talks, President Le Duc Anh affirmed that president Y. 'Arafat's visit this time has brought to the Vietnamese people the solidarity and friendship of the Palestinian people, thus contributing to the consolidation and strengthening of the existing friendship and cooperation between the two peoples.

The Vietnamese president informed president Y. 'Arafat of the situation in Vietnam and the initial achievements recorded by the Vietnamese people in the process of renovation as well as in the deployment of the open-door foreign policy of Vietnam.

He noted with satisfaction that the solidarity and friendship between the peoples of Vietnam and Palestine would further be consolidated and developed. He also

highly valued PLO's proposals on the economic cooperation between the two countries.

President Le Duc Anh once again assured president Y. 'Arafat of Vietnam's consistent stance to support the Palestinian people's just struggle under the leadership of PLO headed by president Y. 'Arafat aimed at regaining their sacred fundamental national rights, including the right to self-determination, the right to return and set up an independent Palestinian state.

President Y. 'Arafat expressed his pleasure at visiting Vietnam again and informed President Le Duc Anh of the development of the Palestinian people's struggle recently, particularly the Arab-Israel talks on the peace process in the Middle East.

He also informed the Vietnamese president of Israel's artillery attacks on south Lebanon in the past few days which, he said, have grossly violated the sovereignty and territorial integrity of Lebanon.

President Le Duc Anh expressed his thanks to president Y. 'Arafat for PLO and the Palestinian people's assistance to Vietnam, particularly the efforts made by the president himself and other leaders of the state of Palestine aimed at promoting economic cooperation and helping Vietnam in its national reconstruction.

The two leaders also compared notes on international and regional issues of common concern, and on measures aimed at consolidating and strengthening the friendly and cooperative relations between the two peoples.

The talks took place in an atmosphere of cordiality and friendship.

Do Muoi Receives 'Arafat

*BK3107152593 Hanoi VNA in English 1516 GMT
31 Jul 93*

[Text] Hanoi VNA July 31—Party General Secretary Do Muoi received here this afternoon Yasir 'Arafat, president of the state of Palestine and chairman of the Palestine Liberation Organization (PLO) and his party now on an official visit to Vietnam. Among those present at the reception were Foreign Minister Nguyen Manh Cam, head of the President's Office Nguyen Viet Dung, and deputy head of the Commission for External Relations of the party Central Committee Hoang Thuy Giang.

General Secretary Do Muoi held that the visit of the high-level delegation of Palestine has marked a new step of development of the fine traditional relations between the two peoples.

He affirmed that the Vietnamese party, government and people now as before have always supported the Palestinian people's struggle for their noble objectives.

President Y. 'Arafat expressed his thanks to the Vietnamese party, government and people for their loyal solidarity and strong support for the Palestinian people's just cause.

He also expressed his wishes for further consolidation of the friendly relations and broadening of cooperation in the interests of the two peoples, for peace and freedom in the world.

The two leaders compared notes on international issues of common concern and discussed how to further promote the relations and multi-faceted cooperation between Vietnam and Palestine.

'Arafat 'Successfully' Concludes Visit

*BK0108073893 Hanoi Voice of Vietnam Network in
Vietnamese 0500 GMT 1 Aug 93*

[Text] According to a Voice of Vietnam correspondent, His Excellency Yasir 'Arafat, president of the state of Palestine, has successfully concluded his official friendship visit to Vietnam at the invitation of Le Duc Anh, president of the Socialist Republic of Vietnam [SRV].

A solemn ceremony was organized at the Presidential Palace to bid farewell to His Excellency Yasir 'Arafat. President Le Duc Anh, Deputy Prime Minister Nguyen Khanh, and many high-ranking party and state cadres attended the farewell ceremony.

President Le Duc Anh and His Excellency Yasir 'Arafat exchanged views on the situation in southern Lebanon. President Le Duc Anh wished the Palestinian people's just cause many victories. President 'Arafat sincerely thanked the heroic Vietnamese people, party, and state for their warm feelings toward and strong support for the Palestinian people and the high-level Palestinian state delegation. President 'Arafat emphatically said: Through this visit, the Palestinian people understand that they still have friends who support their struggle for national independence and freedom. He noted with pleasure that through this visit, the Palestinian and Vietnamese states have set up a joint economic committee to promote bilateral cooperation in all domains. President Le Duc Anh presented President 'Arafat an album with many moving pictures about his Vietnam visit.

At 0815 sharp this morning, the motorcade escorting president 'Arafat and other distinguished Palestinian guests left the Presidential Place. President Le Duc Anh and Deputy Prime Minister Nguyen Khanh bid farewell to president 'Arafat, while President Le Duc Anh affectionately hugged president 'Arafat. As the limousine was about to leave the Presidential Palace, president 'Arafat bid a final farewell to President Le Duc Anh and all those on hand to see him off.

Comrade Nguyen Viet Dung, director of the Office of the President of the State, accompanied president 'Arafat on his way to Noi Bai International Airport.

Spokesman Urges Help for Nationals in Cambodia

*BK0108104493 Hanoi Voice of Vietnam in English
1000 GMT 1 Aug 93*

[Text] The spokesman for the Vietnamese Foreign Ministry urged the interim authorities, especially the National Interim Government of Cambodia to receive and create conditions for Vietnamese overseas to lead a normal life [in Cambodia] as before.

Answering a question of a foreign correspondent concerning the Vietnamese residents who were terrorized by the Khmer Rouge and are now taking refuge in the Vietnam-Cambodia border, the spokesman said that they have been settled in Cambodia for a long time and they want to return to their own settlement in Cambodia, and this is their legitimate wish.

The spokesman said these misplaced people now lead a hard life. He called on the Cambodian authorities and other international organizations to take practical measures to assist these people out of humanitarianism.

Commentary Welcomes ASEAN Improved Relations

*BK3007110193 Hanoi Voice of Vietnam in English
1000 GMT 29 Jul 93*

[Station commentary]

[Text] In general, ASEAN countries have a positive viewpoint toward Vietnam highlighted at the Singapore meeting between the Vietnamese and ASEAN Foreign Ministers. Mr. Wong Kan Seng, Singaporean Foreign Minister and president of the Permanent Committee of the ASEAN countries highly valued Vietnam's efforts to broaden and develop its relations with all ASEAN countries. He also acknowledged the rapid political and economic development, the bilateral and multilateral relations between Vietnam and the ASEAN countries. Mr. Wong Kan Seng said the ASEAN countries consider Vietnam an important partner in regional peace and security issue. ASEAN has created a favorable chance for Vietnam to participate in regional and international dialogue.

It can be seen in concrete deed as ASEAN now fully agrees for Vietnam to participate in the fields of science, technology, environment protection, health care, culture, information, and tourism.

At the ASEAN Ministerial Conference held in Singapore last week, ASEAN countries officially invited Vietnam to take part in the coming consultative forum with ASEAN and other invited countries to the 27th enlarged ASEAN ministerial meeting.

Obviously Vietnam's integration into this Southeast Asia Region will benefit its developing economy. These

countries understand Vietnam and acknowledge Vietnam's achievements in its renovation process. Most importantly, they attach great importance to Vietnam's role in the region.

These important developments have contributed to strengthening the solidarity, friendship, and cooperation between Vietnam and other countries in Southeast Asia and to peace, stability, and prosperity in the region.

Pham The Duyet Attends Trade Union Congress

BK3007093993 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 28 Jul 93

[Text] The Vietnam Energy Sector Trade Union held its second congress in Hanoi from 26 to 27 July. Among the attendants were Comrade Pham The Duyet, member of the party Central Committee Political Bureau; Comrade Thai Phung Ne, minister of Energy; and many other representatives from various agencies and organs.

The contingent of workers and civil personnel of the energy sector has overcome tremendous difficulties to constantly develop their industry over the past five years. Special efforts had been made by workers of the coal industry to meet the demand for coal and electricity, which are vital commodities for the development of other economic sectors as well as for society. The trade union's activities have changed for the better during the years and the trade union has been able to successfully catch up with new social changes. The trade union also performed well the tasks of caring for and protecting the rights and entitlements of workers by creating more jobs, setting up mutual help funds, and organizing recreational and sporting activities for workers and other personnel.

Comrade Pham The Duyet and Comrade Thai Phung Ne praised the contingent of cadres and workers who had overcome all difficulties and ordeals to develop the energy sector and make it an important sector in the national economy.

The congress elected a new executive committee, which consists of 31 comrades.

Party Economic Department Holds Conference

BK3007105993 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 28 Jul 93

[Text] The party Central Committee's Economics Department held a conference on 26 July to concretize the party Central Committee's Fifth Plenum resolution into the lines and policies of sectors and localities. The director and deputy director of the department; chairmen of people's committees of all cities and provinces nationwide; leaders of departments, directorates, institutes, and sectors, which have direct working relations to agriculture, peasants, and the countryside attended the conference.

Comrade Nguyen Ha Phan, secretary of the party Central Committee and director of party Central Committee Economics Department, opened the conference and briefed the attendants on some key points of the resolution and those of the land law passed recently by the National Assembly.

Next, Comrade Do Chinh, first deputy director of the party Central Committee Economics Department, introduced the basic content of the party Central Committee's Fifth Plenum resolution on various aspects such as the guiding concept, the renovation undertaking, its achievements and weaknesses, and newly arising problems. He also briefed the conference on the economic objectives, perceptions, structure, and components as well as the political mechanism in the countryside, and so forth.

The conference also heard cadres in charge of Party Affairs Committees at various ministries present supplementary reports on issues related to renovating the agricultural economic mechanism and developing the rural economic structure. They also reported on fundamental issues in renovation and the development of aquatic products, marketing, and import-export activities in the service of renovating and developing socioeconomic situation in the countryside.

The conference will conclude on 29 July.

Agriculture Minister Describes New Land Law

BK3007133193 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 27 Jul 93

[Statement by Nguyen Cong Tan, minister of agriculture and food industry, at a news conference in Hanoi on 26 July—read by announcer]

[Text] The Law on Land, adopted by the National Assembly on 14 July, is one of the most important laws of the latest National Assembly session. It is the law that attracted close attention from the people and was extensively discussed by the National Assembly at its group and plenary meetings.

During their discussions, many National Assembly deputies contended that the draft law on land was carefully prepared to include the people's viewpoints as well as those of various sectors and echelons. The fact that we can promulgate the law today was due to the urgent and hard work of the National Assembly, especially its in-depth discussion of the contents of every chapter and article.

The revised draft law on land was passed with a majority of votes at the end of the Ninth National Assembly's Third Session. The 1993 Law on Land will be effective as of 15 October this year.

To introduce the main contents of the 1993 Law on Land, I would like to make a comparison with the current law, which is still in effect until 15 October.

The 1993 Law on Land is composed of a preamble, seven chapters, and 89 articles, while the 1988 law is composed of a preamble, six chapters, and 57 articles. Chapter I of the new law deals with the general provisions. Eight of the 12 articles in this chapter are similar to that of the old law. There are important revised stipulations, however, which include:

The state permits foreign organizations and individuals to rent land in Vietnam—Article 1.

Land users who till the land on a stable basis will be given land utilization certificates by the state; the state shall not approve requests for ownership of those pieces of land already allotted in the framework of implementing various land policies in the past; and the state shall ensure land for the tillers—Article 3.

The state shall define prices of various kinds of land for taxation, formulate regulations on transfer of rights to use land, on collection fees on transfer or leasing of land, on assessment of land price before transfer, and on compensation for recovered land—Article 12.

Chapter II deals with the land management system. This chapter of the new law is composed of 29 articles, while the old law has only 14 articles. The additional articles were successfully included in the law after being compiled through experiences drawn during the five years of implementing the 1988 Law on Land. This has helped in providing more concrete details in the state management of land.

In particular, the division of work and authority has been clearly specified between the state land management agencies and state management agencies of other domains—Articles 8 and 9.

More authority has been granted to the administration of lower echelons in establishing land maps, in allotting and recovering land, and in settling land conflicts. This is aimed at eliminating inconvenience to land users while strengthening the authority of the local administration—Articles 15, 23, and 38.

The period for long-term use of land for annual crop cultivation or for aquaculture is 20 years, and for long-term crops is 50 years. Land users who at the end of their term prove that they have used the land effectively, abided by the law, and complied with the required conditions, are entitled to use the land for another term—Article 20.

Those who are allotted land by the state for use in agro-forestry-fishery production are exempted from paying fees on land use—Article 22.

Regarding the settlement of land conflicts, the law attaches importance to the role of the local administration and mass organizations in resolving land conflicts among peasants—Article 38.

The law also clearly defined seven main points in the state management of land and asserted that a unified

state land management organization shall be established from the central to the grassroots levels—Articles 13 and 41.

Chapter III deals with the system governing the use of various kinds of land. This is one of the most important chapters of the law comprising all the new policies on land for the days ahead.

It includes measures to reduce to not more than three hectares the area allotted to each peasant household for annual crop cultivation. The government shall define regulations for localities in this regard—Article 44.

Each village is allowed to set aside no more than five percent of its land area for public projects—Article 45.

The people's committees of provinces and municipalities directly subordinate to the central government shall decide on the hectareage to be allotted to each household in accordance with the government regulations, but should not exceed 400 square meters for each household—Article 54—with the exception of special cases.

In addition, there are seven articles about the use of land to meet urban development purposes and 10 articles about the use of land for special purposes. All of these articles share one thing in common, namely the need to use land economically to meet set goals and plans, as well as to comply with environment protection regulations.

Chapter IV deals with land users' rights and duties. Compared with the 1988 Law on Land, five more chapters have been added to this chapter to define the five rights of households and individuals to exchange, transfer, or lease land allotted by the state; to transfer the right to use land to their successors; and to use land as collateral—Articles 74, 75, 76, 77, and 78. In addition, the new law also defines eight more rights for land users to exercise—Article 73—and seven duties which must be fulfilled along with these rights—Article 79.

Chapter V deals with land leasing to foreign agencies, foreign nationals, or international organizations in Vietnam. Compared with the 1988 Law on Land, this chapter contains more practical provisions governing the government's decision to lease land to foreign nationals, overseas Vietnamese residents, and Vietnamese organizations participating in business joint ventures with foreign countries. Lessees must complete the procedures set by Vietnamese law. The length of time for which a piece of land is rented out is equal to the length of investment set by Vietnamese law. The length of time for which a piece of land is rented out to establish a foreign representative office shall not exceed 99 years.

Chapter VI deals with measures against violations. There are three articles about actions to be taken against violations by land users and land managers, as well as about compensation for the damage caused by those violations.

Chapter VII deals with the enforcement of this law. This law supersedes the 1988 Law on Land and will be effective as of 15 October 1993.

There are some issues relating to the dissemination of this new law on land as follows:

1. The objectives of the 1993 Law on Land are to stimulate agro-forestry production, to create favorable conditions for the national industrialization and urbanization process, to encourage foreign investment in Vietnam, to strengthen state land management work, to make everyone fully understand the party's renovation lines, and to meet the legitimate aspirations of our people, especially peasants.

2. For the Law on Land to be applied to life, it is urgent for the government to promulgate sub-laws to concretize the provisions of this law to ensure serious implementation. When it comes to directing the implementation of this law, it is of special importance to bear in mind that while the old law is still in effect, efforts must be made to disseminate the contents of the new law—pending enforcement—on a wide scale. At the same time, it is necessary to make everyone fully grasp the contents of the various sub-laws once the new law becomes effective. It is important for everyone to have a clear idea about the basic concepts contained in the law and sub-laws so they correctly understand them and act accordingly. Facts accomplished prompted by personal or regional interests like the transfer of land which does not fall under the land allotment list, reclamation of land that one used to own in the past, disposal of land which falls under Land Fund No. 2 category, and the granting of land utilization certificates at one's discretion are strictly prohibited.

It is necessary for all sectors and echelons to closely monitor the real situations in the various localities and at the various grassroots establishments, as well as to take prompt measures to overcome all indications of irregularities so as to guarantee stability for society, especially for the countryside.

3. It is necessary to consolidate state land management agencies at all levels. Urgent efforts must be made to provide these agencies with sufficient cadres and means so they can satisfactorily fulfill their land management tasks. The Land Management General Department is dutybound to direct the sector under its charge in fulfilling its land management tasks as specified under the law. It is necessary for the Land Management General Department to coordinate action with the mass media in disseminating this law and in directing its implementation.

Premier Chairs Regular Government Conference

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[Text] The SRV Government recently held its regular conference in Ho Chi Minh City to review results in implementing the 1991-95 five-year socioeconomic development plan during the past three years and discuss

tasks for the remaining two years. The conference also discussed the government's plan for implementing the party Central Committee's Fifth Plenum resolution on continuing to renovate and develop the socioeconomic situation in the countryside. Prime Minister Vo Van Kiet directed the conference.

The government noted that during the three years of implementation of the renovation undertaking set by the Seventh CPV [Communist Party of Vietnam] Congress' resolution, our nation's socioeconomic situation has undergone changes for the better and in the right direction. Worthy of note are achievements in containing inflation, promoting economic growth, and resolving the food shortage problem. Foreign trade has developed satisfactorily. On average, the annual export value increased by 20 percent. Investments have been made in various main and selected projects, thereby contributing to strengthening the capability of key production sectors, especially the electric, oil and gas, fertilizer, steel, and cement sectors and so forth.

Moreover, activities in the scientific-technological, environmental, education and training, cultural, information, public health, and social domains have also attained remarkable achievements. This has contributed significantly to stabilizing the socioeconomic situation and strengthening national defense and security.

At the conference, members of the cabinet focused their discussion on the prevailing difficulties and orders that have caused setbacks to the socioeconomic development plan during the past three years. After an extensive discussion, the government set tasks and orientations for the remaining two years. These include efforts to continue to curb inflation, stabilize the socioeconomic situation, and increase the growth rate of the state-run economy.

The government also reviewed key measures aimed at fulfilling major targets set for the 1994-95 two-year period and other fundamental objectives aimed at improving the financial and monetary domains, rearranging the state-run business establishments, developing the multisectoral economy, promoting foreign

trade, mobilizing and using capital, perfecting the macroeconomy, and enhancing efficacy in economic management in the days ahead.

The government also discussed a program on implementing the party Central Committee's Fifth Plenum resolution on continuing to renovate and develop the socioeconomic situation in the countryside, which is composed of 14 concrete points. They include measures to develop the rural economic structure for the 1994-95 two-year period, as well as the next 1996-20 five-year period; policies on protecting agricultural production and prices, developing the agro-forestry-fishery processing and rural industries, consolidating administration in the countryside, training cadres for the rural areas, and accelerating socioeconomic development programs in the mountain regions.

The government discussed and contributed ideas to four regulations governing the implementation of the law on agricultural land use tax, allotment of agricultural land to peasant households and individuals on a long-term basis, classification of land categories and tax rates for agricultural land, and renovation of agricultural cooperative management and development of peasant activities in the countryside.

In his address, Prime Minister Vo Van Kiet stressed the significance of this conference. He urged cabinet members to take appropriate steps to manage and use the budgets for the 1994-95 two-year period satisfactorily. Efforts must be made to formulate concrete measures to mobilize and to use capital, to rearrange state-run business establishments, to train more cadres for managerial and economic sectors to meet requirement in the new situation, and to satisfactorily carry out the program to continue renovating and developing the socioeconomic situation in the countryside. This was discussed and adopted at the conference.

In the next several days, the government will hold working sessions with sectors, localities, and zones to discuss the implementation of decisions unanimously made by the government at this conference.